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Calendar No. 402

92d CONGRESS } SENATE { REPORT
1st Session }

No. 92-404

**LEGISLATIVE COUNSEL
FILE COPY**

FOREIGN ASSISTANCE ACT OF 1971

OCTOBER 21, 1971.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations,
submitted the following

R E P O R T
together with
SUPPLEMENTAL VIEWS

[To accompany H.R. 9910]

The Committee on Foreign Relations, to which was referred the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

1. PRINCIPAL PURPOSE OF THE BILL

The principal purpose of the bill is to authorize funds for FY 1972 for foreign assistance programs carried out under the Foreign Assistance Act of 1961, as amended, and the Foreign Military Sales Act. The bill also authorizes appropriations for FY 1973 for certain economic assistance programs. The bill authorizes total appropriations of \$3,202,870,000 for fiscal year 1972. The Executive Branch's request was for \$3,552,100,000, including \$250,000,000 for relief of Pakistani refugees. The amount approved by the Committee is \$349,230,000 below the budget request.

In addition, the bill also makes a number of substantive changes in the Foreign Assistance and other acts.

The following table lists the various categories of foreign assistance for which funds are to be authorized by this bill, compares the Committee's action with appropriations for FY 1970 and 1971, the Executive Branch's authorization request for FY 1972, and the amounts approved by the House of Representatives:

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REF ID: A6525
TABLE I.—FOREIGN ASSISTANCE AUTHORIZATIONS AND APPROPRIATIONS, INCLUDING FOREIGN MILITARY CREDIT SALES
[In thousands of dollars]

Program	Authorization					
	Appropriations			Senate committee recommendation		
	Fiscal year 1970	Fiscal year 1971	Requested fiscal year 1	House fiscal year 1972 2	Fiscal year 1972 3	Fiscal year 1973
Development loans (worldwide)	\$300,000	\$420,000	\$400,000	\$400,000	\$320,000	\$320,000
Technical assistance (worldwide)	166,700	166,800	231,300	183,500	208,270	208,270
Alliance for Progress	336,500	370,400	364,000	378,250	309,400	309,400
Loans	(255,000)	(287,500)	(235,000)	(287,500)	(199,750)	(199,750)
Grants	(81,500)	(82,900)	(129,000)	(90,750)	(109,650)	(109,650)
American schools and hospitals abroad	28,900	12,900	10,200	30,000	30,000	30,000
Population programs	(75,000)	(100,000)	4 100,000	4 100,000	125,000	125,000
International organizations	105,000	103,800	141,000	143,000	139,000	139,000
Indus Basin	7,500	11,900	-----	-----	15,000	15,000
Grants	(7,500)	(4,900)	15,000	5,000	(15,000)	(15,000)
Loans	-----	(7,000)	6 (12,000)	(6) (6)	-----	-----
UNWRA, training	1,000	1,000	-----	7 1,000	7 1,000	7 1,000
Contingency fund	12,500	22,500	9 100,000	30,000	30,000	30,000
Pakistan relief	-----	-----	250,000	100,000	250,000	-----
Administrative expenses:	-----	-----	-----	-----	-----	-----
AID	51,000	51,000	57,600	57,600	51,800	51,800
State Department	3,700	4,100	(10)	(10)	(10)	(10)
OPIC reserves	37,500	18,750	(10)	(10)	(10)	(10)
Total, economic assistance	1,070,300	1,183,150	1,569,100	1,428,350	1,479,470	1,229,470

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Military assistance.....	350,000	⁸ ¹² 690,000	705,000	705,000	565,000
Supporting assistance.....	395,000	⁸ 569,600	756,000	800,000	¹³ 699,400
Total, military assistance and supporting assistance.....	745,000	1,259,600	1,473,000	1,505,000	1,264,400
Total, foreign assistance act programs.....	1,815,300	2,442,750	3,042,100	2,933,350	2,743,870
Military credit sales ¹¹	¹⁴ 70,000	¹³ 200,000	510,000	510,000	459,000
Aggregate ceiling.....		(340,000)	(582,000)	(582,000)	(523,800)
Total, economic assistance and military grant and credit sales.....	1,885,300	2,642,750	3,552,100	3,443,350	3,202,870

¹ Administration's foreign assistance authorization request was for 3-year authorizations for the following programs: Development loans, \$1,500,000,000; technical assistance, \$1,200,000,000; and American schools and hospitals abroad, \$35,000,000.

² The foreign aid bill approved by the House contains a 2-year authorization with the following authorizations for fiscal year 1973: development loans, \$450,000,000; Alliance for Progress, \$422,250,000, of which \$331,500,000 is for loans and \$90,750,000 is for grants; technical assistance worldwide, \$183,500,000; American schools and hospitals abroad, \$30,000,000; population programs, \$125,000,000; international organizations and programs, \$143,000,000; Indus Basin grants \$10,000,000; UNRWA training, \$1,000,000; contingency fund, \$50,000,000; AID administrative expenses, \$57,600,000; military assistance grants, \$705,000,000; supporting assistance, \$800,000,000; and foreign military credit sales, \$510,000,000, with aggregate credit ceiling set at \$582,000,000.

³ All economic assistance programs, except Pakistan relief, were authorized for 2 years. Military programs are for 1 year only.

⁴ Separate authorization; additional funds for population programs may be taken from other economic assistance programs.

⁵ Does not include \$13,300,000 for UNRWA funded from supporting assistance.

⁶ Funds previously authorized in Foreign Assistance Act of 1957.

⁷ In addition, \$1,000,000 in Egyptian pounds authorized for fiscal years 1972 and 1973.

⁸ Includes supplemental funds.

⁹ In addition, an unlimited authorization has been requested for "Humanitarian assistance."

¹⁰ Permanent authorization is in existing law.

¹¹ Authority contained in the Foreign Military Sales Act of 1968, as amended.

¹² In addition \$60,000,000 in economic supporting assistance was transferred to the military assistance program under authority of section 614(a) of the Foreign Assistance Act of 1961.

¹³ Does not include \$500,000,000 for military credit sales to Israel authorized by the 1970 Defense Authorization Act.

¹⁴ Provided under continuing resolution authority.

¹⁵ Includes \$85,000,000 for Israel.

2. OTHER PURPOSES OF THE BILL

In addition to authorizing appropriations as detailed, the bill also does the following:

1. Prohibits use of funds for U.S. forces in Indochina for any purpose other than withdrawal and protection of those forces from "imminent danger" during the withdrawal process.
2. Declares a national policy that all U.S. forces be withdrawn from Indochina within six months, subject to release of prisoners of war.
3. Ties the release of funds appropriated for foreign aid and military sales funds to prior release of impounded funds for domestic programs.
4. Provides for annual authorization of appropriations for the Department of State and the United States Information Agency.
5. Provides for funding of military aid to South Vietnam, Thailand, and Laos from the regular Military Assistance Program beginning July 1, 1972.
6. Imposes a ceiling of \$250,000,000 on obligations and expenditures in or for Cambodia in FY 1972 and puts a ceiling of 200 on the number of American civilian and military government personnel in Cambodia.
7. Calls for shifting more of our economic aid to a multilateral basis and requires a phasing-out of the bilateral loan program by June 30, 1975.
8. Authorizes \$250,000,000 in FY 1972 for refugee relief programs in India and Pakistan.
9. Authorizes \$125,000,000 for population control activities in both FY 1972 and FY 1973.
10. Requires the President to submit to Congress a country-by-country list of foreign aid allocations within 30 days after passage of the appropriation bill and permits a maximum 10% increase in aid in each category and country by transfer of funds from other countries or programs without advance notice to Congress.
11. Requires advance notice to Congress before use by the President of the transfer, waiver, and certain other special authorities available to him under the Foreign Assistance Act.
12. Requires a 25% cutback within the next year in the number of U.S. military personnel assigned abroad to military advisory missions or similar groups.
13. Authorizes operations by the Overseas Private Investment corporation in Yugoslavia and Romania.
14. Provides for a cutoff in aid to countries which do not take adequate steps to control the international drug traffic.
15. Requires 25% payment in foreign currency for U.S. military grant aid.
16. Suspends all assistance and military sales to Pakistan, except humanitarian relief. The President must make certain findings before aid could be resumed.
17. Prohibits further foreign assistance or military sales to Greece with provision for a Presidential waiver to permit aid to resume and be furnished up to the FY 1971 level.
18. Prohibits waiving by the President of the ceilings on military aid and sales to Latin America and Africa.

3. BACKGROUND AND COMMITTEE ACTION

The 1968 foreign assistance act contained a provision, sponsored by Senator Javits, which called on the President to make a thorough review of all foreign assistance programs and submit his recommendations to Congress by March 31, 1970. On September 29, 1969, President Nixon appointed a task force to study the matter and the task force reported back to him on March 4, 1970. The President sent a message to Congress on September 15, 1970 containing his broad recommendations for a revised foreign aid program. However, the draft legislation to implement his policy recommendations was not submitted to Congress until April 21, 1971. Two bills, embodying the President's legislative requests, S. 1656 and S. 1657, were introduced by Senator Fulbright, by request, on April 26, 1971. The Committee held hearings on the bills on June 10, 11, and 14.

Due to the complexity of the issues involved, it was apparent that the Committee would not have time to give proper study to the proposals as a basis for FY 1972 appropriations. Accordingly, the Committee turned its attention to consideration of legislation to extend the existing program on a stop-gap basis.

During the hearings on the bill testimony was received from—

Dr. N. R. Danielian, president, International Economic Policy Association;

John H. Davis, president, American Near East Refugee Aid, Inc.;

Thomas L. Farmer, chairman, International Development Panel, Chamber of Commerce of the United States;

Maurice J. Goldbloom, executive secretary, U.S. Committee for Democracy in Greece;

Mrs. Virginia M. Gray, executive secretary, Citizens Committee for UNICEF;

Hon. John A. Hannah, Administrator, Agency for International Development;

Mrs. Edwin Hannum, chairman, National Action Committee, the League of Women Voters;

Hon. Mark O. Hatfield, U.S. Senator from Oregon;

George J. Hecht, publisher, Parents magazine;

Hon. John N. Irwin, II, Undersecretary of State;

William R. Klamon, director, U.S. National Student Association, Center for Greek Studies;

Mrs. Thomas Kouzes, National Congress of Parents and Teachers;

Hon. Melvin R. Laird, Secretary of Defense; accompanied by Adm. Thomas H. Moorer, Chairman, Joint Chiefs of Staff, and Lt. Gen. Robert H. Warren, Deputy Assistant Secretary of Defense (Military Assistance and Sales);

Rudolph A. Peterson, former Chairman, President's Task Force on International Development;

Dr. Jon A. Rohde, U.S. Public Health Service;

Hon. Robert Taft, Jr., U.S. Senator from Ohio; accompanied by Rabbi Seymour Gewirtz, vice president, Rabbinical College of Telshe; and

Dr. Michael Tanzer, president, Tanzer Economic Associates,
New York, N.Y.

Executive sessions on H.R. 9910 were held on September 28, 29, October 5, 6, 13, 14, and 20. At his request, Dr. John A. Hannah, Administrator of the Agency for International Development, was heard again, in executive session, on October 13. During the lengthy markup sessions a total of 48 record votes were taken, which indicates the thoroughness with which the Committee discussed the issues involved in the bill. H.R. 9910 was ordered favorably reported on October 20 by a vote of 11 to 5.

4. COMMITTEE COMMENTS

Reports by the Committee on Foreign Relations on foreign aid bills over the last several years reveal the depth of dissatisfaction of many members with the existing foreign aid program. In 1967 the Committee report on the aid bill stated:

Many members felt that there was inadequate justification for continuing foreign aid at approximately the same level as the last fiscal year in view of mounting war costs and the Government's worsening fiscal situation. Others believed that drastic changes were needed in the foreign aid program, and that it had been oversold as a cureall, both at home and abroad. Some viewed the aid program as tending to involve the United States unnecessarily in the political and social affairs of other countries, making it more likely that the United States would in the future find itself involved in more Vietnams. Perhaps the most common attitude among members was the feeling that foreign aid policy has not kept pace with a changing world and that all too often dollars were applied in an attempt to serve as a substitute for sound policies.

In 1968 the Committee stated:

The committee acted on the foreign aid bill this year against a background of growing concern over the international posture of the United States and over the problems which the American people face at home. With respect to the former, the committee has seen nothing in the past year to allay the unease which it has frequently expressed over the proliferation of aid programs and the seeming inability or unwillingness of the United States to reduce its international commitments. With respect to the latter, the committee is persuaded that the United States cannot longer postpone giving priority to putting its own house in order. Over both the foreign and domestic problems of the United States hang the fiscal and balance-of-payments crises which have been alleviated but not solved, and which fundamentally result from overcommitment, both at home and abroad, and from efforts to spread available resources too thinly.

In 1969 the Committee report put the basic problem this way:

All members of the committee are acutely aware that the richest Nation in the world has an obligation to help close

the widening gap between the "haves" and the "have nots" of the world. The issue is not "Should we provide aid?" It is "How?" and "How much?" The first question must be answered before the second can be approached sensibly—and the old answers of the past to "How?" are outmoded and discredited. The future of foreign aid is bleak indeed until a new program can be developed which will command greater respect and support, both with the public and the Congress, than the current program commands.

At the time the 1969 report was filed the Committee hoped that the President's recommendations, to be submitted pursuant to Senator Javits' amendment, would be submitted in time to work out a new program during 1970. Instead, his recommendations were not received until more than a year after the date specified by law. In view of this, the Committee again finds itself recommending continuation of a program for which few members have any real enthusiasm.

The Committee's reduction of the authorization request by \$349,230,000 is modest in view of the fact that the Federal budget deficit of \$23 billion last year is likely to climb to \$30 billion or more this year, that the nation's balance-of-payments deficit is running at an unprecedented rate, that our unmet domestic needs continue to mount, and that the nation's economy is so sick inflation continues in the midst of a serious recession.

The Committee has for years stressed that the United States is over-committed around the world. The foreign aid program is one of the most obvious manifestations of that overcommitment. As of June this year there were a total of 26,663 people working in connection with the regular economic and military aid programs authorized under the Foreign Assistance Act. There were 8,936 Americans abroad engaged in U.S. foreign aid activities, compared with a total of 6,145 for all Department of State personnel overseas. The Committee has taken action which should lead to substantial reductions in the number of foreign and personnel. Most of the non-Communist world is slated to receive some type of foreign aid from the United States in FY 1972. Forty-five countries are to receive technical assistance, 31 to get supporting assistance (24 for public safety programs only), 46 to get military grant aid, 85 to get Public Law 480 assistance, 43 slated for military sales (18 for credit), and 55 are to receive assistance through the Peace Corps.

The President has recognized that foreign aid must bear a share of the price that must be paid to restore the health of our economy. In his speech to the nation on August 15 he announced that he had ". . . ordered a 10% cut in foreign economic aid." The details of how the cut is to be applied have not been revealed, other than the announcement of an exemption for Latin America. The Committee supports the President's initiative and has taken further action to insure that foreign aid programs for FY 1972 reflect, at least to some extent, the urgency of the times.

The United States' foreign aid effort is not limited to the programs authorized by this bill. The programs funded by authorizations contained in this bill constitute only about two-fifths of the total United States foreign aid effort. The Executive Branch's program for foreign assistance this fiscal year totals \$9.5 billion, as shown on tables II, III, and IV.

TABLE II.—MILITARY AND ECONOMIC ASSISTANCE DATA, FISCAL YEAR 1972 PROGRAM REGIONAL SUMMARY
[In thousands of dollars]

	Economic programs													Total military and economic proposed, fiscal year 1972	Total military and economic, fiscal year 1971	
	Military programs					Agency for International Development program					Other programs					
	Military assistance grants	Foreign military credit sales	Excess defense articles ¹	Military assistance service funded	Ship loans ²	Total military	Development assistance	Economic supporting assistance	Administrative and other expenses, State	Contingency fund	Total	Peace Corps	Public Law 480	Total economic		
Summary, all programs	731,500	582,000	324,000	2,230,800	90,100	3,958,400	1,515,285	825,000	4,400	101,300	2,445,985	71,200	1,115,260	3,632,445	7,590,845	7,325,503
LA	9,868	70,000	—	3,800	—	83,668	405,074	5,850	—	—	410,924	16,102	151,130	578,156	661,824	545,720
AFR	19,009	17,000	1,600	—	—	37,609	159,915	5,950	—	—	165,865	15,533	106,230	287,628	325,237	300,500
EUR	14,082	—	3,000	—	—	54,600	71,682	—	—	—	—	68	14,900	14,968	86,650	31,916
NESA	167,000	420,000	90,400	—	24,400	700,800	407,335	30,250	—	—	437,585	6,242	429,881	783,708	1,574,508	1,820,954
EA and PAC	501,100	75,000	429,000	446,900	3,050	1,235,050	173,825	202,750	—	—	376,575	11,100	320,124	707,799	1,942,849	1,798,503
VN	—	—	—	1,783,900	5,250	1,789,150	—	565,000	—	—	565,000	—	82,600	647,600	2,436,750	2,368,428
Other	20,441	20,000	—	—	—	40,441	369,136	15,200	4,400	101,300	490,036	22,155	10,395	522,586	563,027	459,474

¹ Excess defense articles are shown at legal value for purposes of Section 8(c), Public Law 91-672.² Valued at acquisition cost.² Excludes \$30,172,000 in State Department expenses and contingency fund.⁴ For Korea, in addition to \$40,000,000 in excess defense articles, there is included an additional \$104,000,000 estimated dollar value (at acquisition cost) of certain defense articles authorized by sec. 3 Public Law 91-652 to be transferred to that government in fiscal year 1972.

TABLE III.—*Other foreign assistance programs—Not included on regional chart*

[In thousands of dollars]		
		<i>Estimate, fiscal year 1972</i>
<i>Economic:</i>		
1. U.S. contribution to international financial institutions:		\$320, 000
(a) International Development Association-----		575, 000
(b) Inter-American Development Bank-----		60, 000
(c) Asian Development Bank-----		15, 000
(d) African Development Bank-----		
Total, U.S. contributions-----		970, 000
2. Export-Import Bank—Long-term loans to developing countries (1968-70 average)-----		501, 100
Total, economic-----		1, 471, 100
<i>Military:</i>		
1. Public Law 480 grants for defense purposes-----		116, 600
2. MAAG's, military groups, etc-----		262, 600
3. International military headquarters-----		72, 300
4. NATO infrastructure-----		20, 000
Total, military-----		471, 500
Total, other foreign assistance programs-----		1, 942, 600
Estimates from regional chart-----		7, 590, 845
Grand total, foreign assistance fiscal year 1972-----		<u><u>9, 533, 445</u></u>

TABLE IV.—MILITARY AND ECONOMIC ASSISTANCE DATA, FISCAL YEAR 1972 PROGRAM BY COUNTRY
[In thousands of dollars]

	Military programs						Economic programs						Total military and economic, fiscal year 1972	Total military and economic, fiscal year 1971		
	Military assistance grants	Foreign military credit sales	Excess defense articles ¹	Military assistance service funded	Ship loans ²	Total military	Agency for International Development program			Other programs						
							Economic supporting assistance	Development assistance	Total	Peace Corps	Public Law 480	Total economic				
Latin America	9,868	70,000	—	3,800	83,668	5,850	405,074	410,924	16,102	151,130	578,156	661,824	545,720	10		
Argentina	897	15,000	—	—	15,897	—	—	—	—	—	—	15,897	14,310	—		
Bolivia	666	—	—	—	666	115	13,285	13,400	1,039	8,730	23,169	23,835	14,092	—		
Brazil	892	20,000	—	3,800	24,692	174	70,325	70,499	2,428	55,890	128,817	153,509	127,815	—		
Chile	856	5,000	—	—	5,856	—	1,310	1,310	608	6,390	8,308	14,164	10,825	—		
Colombia	844	8,000	—	—	8,844	340	78,010	78,350	1,049	22,050	101,449	110,293	91,148	—		
Costa Rica	—	—	—	—	—	198	1,205	1,403	561	270	2,234	2,234	7,211	—		
Dominican Republic	539	—	—	—	539	370	16,800	17,170	464	13,900	31,534	32,073	27,769	—		
Ecuador	645	—	—	—	645	135	17,718	17,853	769	6,330	24,952	25,597	20,998	—		
El Salvador	374	—	—	—	374	56	12,622	12,678	417	1,620	14,715	15,089	14,708	—		
Guatemala	336	5,000	—	—	5,336	377	18,872	19,249	477	2,430	22,156	27,492	22,741	—		
Guyana	—	—	—	—	—	99	4,690	4,789	25	1,065	5,879	5,879	7,830	—		
Haiti	—	—	—	—	—	3,000	—	3,000	—	3,600	6,600	6,600	6,027	—		
Honduras	467	—	—	—	467	171	12,375	12,546	646	900	14,092	14,559	7,658	—		
Inter-American Organizations	—	—	—	—	—	—	17,675	17,675	—	—	17,675	17,675	13,000	—		
Jamaica	—	—	—	—	—	96	11,000	11,096	1,029	1,980	14,105	14,105	13,695	—		
Mexico	107	—	—	—	107	—	—	—	—	—	—	107	107	87	—	
Nicaragua	568	—	—	—	568	91	12,490	12,581	466	594	13,641	14,209	9,694	—		
Panama	173	—	—	—	173	203	28,588	28,791	—	603	29,394	29,567	21,736	—		
Paraguay	387	—	—	—	387	—	8,427	8,427	390	4,475	13,292	13,679	12,374	—		
Peru	792	—	—	—	792	—	14,100	14,100	1,785	17,690	33,575	34,367	20,045	—		
ROCAP	—	—	—	—	—	13,526	13,526	220	90	—	13,836	13,836	10,024	—		
Surinam	—	—	—	—	—	—	—	—	45	45	45	45	45	—		
Trinidad and Tobago	—	—	—	—	—	—	—	—	99	99	99	99	99	104	—	
Uruguay	400	2,000	—	—	2,400	225	13,406	13,631	131	2,208	15,970	18,370	26,378	—		
Venezuela	734	15,000	—	—	15,734	200	350	350	1,465	—	2,015	17,749	13,344	—		
Other West Indies	—	—	—	—	—	—	—	—	—	—	14	14	14	650	—	
Eastern Caribbean regional economic regional programs	—	—	—	—	—	—	10,100	10,100	815	157	11,072	11,072	11,072	1,143	—	
Regional military costs	191	—	—	—	191	—	28,200	28,200	1,318	—	29,518	29,518	22,831	—		
											191	191	7,438	—		

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Near East and South Asia	167,000	420,000	90,400	23,400	700,800	30,250	407,335	437,585	6,242	429,881	873,708	1,574,508	1,820,954		
Afghanistan							7,018	7,018	758	4,110	11,886	11,886	13,50		
Ceylon										23,420	23,420	23,420	17,406		
Cyprus										360	360	360	349		
Greece	19,875	60,000	38,000		117,875						117,875	117,875	118,800		
India		5,000			5,000		230,050	230,050	3,032	181,670	414,752	419,752	403,605		
Iran	942				942				1,081	6,400	7,481	8,423	18,130		
Iraq										90	90	90	180		
Israel			(*)		(*)					56,133	56,133	56,133	558,770		
Jordan	9,599	(*)	(*)		(*)	30,000	750	30,750		3,088	33,838	33,838	72,414		
Lebanon			(*)		(*)					3,565	3,565	3,565	13,835		
Nepal							2,695	2,695	1,156	430	4,301	4,301	4,152		
Pakistan		5,000				5,000	250	118,330	118,580		101,950	220,530	223,530	212,260	
Saudi Arabia		(*)	(*)								72	72	72	30,674	
Syria											45	45	45	63	
Southern Yemen														328,525	
Turkey	99,770		48,400		23,400	171,570		43,948	43,948	53	27,000	71,001	242,571		
United Arab Republic (Egypt)													0		
Yemen											738	738	738	2,390	
CENTO											585	585	585	420	
Economic regional programs											3,959	3,959	162	20,790	
Regional military costs	46,413	350,000				396,413								17	
East Asia and Pacific	501,100	75,000	209,000	446,900	3,050	1,235,050	202,750	173,825	376,575	11,100	320,124	707,799	1,942,849	1,798,503	
Burma											540	540	540	741	
Cambodia	200,000		11,000			211,000	110,000				20,009	130,009	341,009	282,009	
China (Taiwan)	19,500	45,000	48,000			112,500					4,500	4,500	117,000	142,017	
Hong Kong											180	180	180	540	
Indonesia	24,990		3,000			27,900		107,325	107,325		131,750	239,075	267,065	252,892	
Korea	239,400	15,000	144,000	243,900		642,300		24,100	24,100	1,944	103,490	129,534	771,834	716,326	
Laos						125,800	50,500				1,710	52,260	178,060	194,389	
Malaysia	134	7,500	3,000		1,200	7,634				2,154	1,215	3,369	11,003	9,153	
Philippines	17,000					21,200	800	29,100	29,900	1,890	33,760	65,550	86,750	59,295	
Ryukyu Islands											1,980	1,980	1,980		
Singapore		7,500			77,200	1,850	9,350				90	90	9,440	5,612	
Thailand						77,200	40,000				40,000	1,323	20,900	62,223	
Western Samoa											425	425	425	492	
Economic regional programs											1,400	13,300	14,700	18,064	
Regional military costs		76							76				76	4,015	
Vietnam						1,783,900	5,250	1,789,150	565,000		565,000	82,600	647,600	2,436,750	2,368,428

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TABLE IV.—MILITARY AND ECONOMIC ASSISTANCE DATA, FISCAL YEAR 1972 PROGRAM BY COUNTRY
[In thousands of dollars]

	Military programs						Economic programs						Total military and economic, fiscal year 1972	Total military and economic, fiscal year 1971		
	Military assistance grants	Foreign military credit sales	Excess defense articles ¹	Military assistance service funded	Ship loans ²	Total military	Agency for International Development program			Other programs						
							Economic supporting assistance	Development assistance	Total	Peace Corps	Public Law 480	Total economic				
Africa	19,009	17,000	1,600			37,609	5,950	159,915	165,865	15,533	106,230	287,628	325,237	300,508		
Botswana							(6)	(6)	264	1,350	1,614	1,614	1,660			
Burundi							(6)	(6)	189	189	189	189	299			
Cameroon							(6)	(6)	480	27	507	507	582			
Central Africa Republic							(6)	(6)		198	198	198	177			
Chad							(6)	(6)	389	148	537	537	555			
Congo (Kinshasa)	477	2,000				2,477	1,016	5,543	6,559	388	1,080	8,027	10,504	15,998		
Dahomey							(6)	(6)	370	405	775	775	420			
Equatorial Guinea							(6)	(6)								
Ethiopia	12,790		500			13,290		16,899	16,899	1,052	630	18,581	31,871	28,240		
Gabon							(6)	(6)	117	117	117	117	117			
Gambia							(6)	(6)	354	90	444	444	897			
Ghana							(6)	(6)								
Guinea						106	17,310	17,416	1,490	18,075	36,981	36,981	21,146			
Ivory Coast							(6)	(6)	622	7,100	7,722	7,722	5,756			
Kenya							(6)	(6)	639	270	909	909	1,051			
Lesotho							2,174	2,174	1,571	630	4,375	4,375	4,766			
Liberia	500		100			600	203	8,331	8,534	1,119	3,600	3,743	3,743	1,892		
Libya							(6)	(6)	441	10,094	10,694	10,694	6,989			
Malagasy Republic							(6)	(6)								
Malawi							(6)	(6)	180	180	180	180	180			
Mali							(6)	(6)	265	180	442	442	491			
Mauritania							(6)	(6)	224	1,188	1,412	1,412	3,331			
Mauritius							(6)	(6)		720	720	720	1,708			
Morocco	(6)	(6)					(6)	(6)	202	1,400	1,602	1,602	2,000			
Niger							(6)	(6)	449	1,368	45,165	45,165	46,429			
Nigeria							(6)	(6)		5,850	1,817	1,817	1,043			
									24,430	28,530		34,380	34,380	36,748		

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Rwanda						360	360	360	450
Senegal						566	2,583	3,149	3,149
Seychelles						36	36	36	36
Sierra Leone						1,209	1,035	2,244	2,244
Somali Republic						540	540	540	540
Sudan						63	63	63	63
Swaziland						175	175	175	3,538
Tanzania					5,819	5,819	1,980	7,799	7,799
Togo					(6)	603	360	963	*963
Tunisia					125	12,358	317	19,980	32,780
Uganda					4,780	4,780	380	225	5,385
Upper Volta						(6)	327	1,638	1,965
Zambia						(6)	90	90	90
Economic regional programs:									
Central West Africa						14,537	14,537	14,537	14,537
East Africa						1,745	1,745	1,745	1,745
Southern Africa						300	9,400	9,700	9,700
Africa regional						100	21,789	21,889	24,116
Regional military costs ⁴	5,242	15,000	1,000			21,242	1,218	1,009	24,116
Self-help projects						1,450	1,450	1,450	1,450
Europe	14,082	3,000	54,600	71,682		68	14,900	14,968	86,650
Austria									31,916
Denmark									
Iceland									
Malta									
Norway									
Portugal		1,000							
Spain	13,000	3,000	54,600	70,600	1,000		4,000	4,000	5,000
Yugoslavia							10,000	10,000	80,600
Regional military costs	82				82				28,350
Regional									200

¹ Excess defense articles are shown at legal value for purposes of sec. 8(c), Public Law 91-672.² Valued at acquisition cost.³ Classified.⁴ Includes classified countries.⁵ In addition to \$40,000,000 in excess defense articles, includes \$104,000,000 estimated dollar value (at acquisition cost) of certain defense articles authorized by section 3, Public Law 91-652, to be transferred in fiscal year 1972 to the Government of Korea.⁶ Self-help funds only.

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Executive Branch officials have in recent years argued that, compared with other rich nations, the United States development aid effort is quite low. In testifying before the Committee on foreign aid legislation this year, Dr. John A. Hannah, Administrator of the Agency for International Development, when discussing the United States' comparative aid effort said:

Measuring assistance as a percent of GNP, the United States ranks 11th among the 16 major assisting countries. The U.S. share of total world assistance has dropped by half, (from) 80 percent fifteen years ago to 42 percent this year.

Dr. Hannah was, of course, referring only to the approximately \$3.2 billion of official development aid, as categorized by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD), which we now dispense each year. It does not take into account the more than \$4 billion in military aid planned to be given other countries this year, humanitarian relief, and other aid outflows not incurred by other rich nations.

It also does not take into account the tremendous burden American taxpayers have assumed under treaty obligations to protect the security of 43 nations around the world. The estimated costs of maintaining forces to meet the NATO commitment alone start at \$14 billion and go up from there. But, as the September 7, 1971 report of the Senate Armed Services Committee on the Defense Authorization Bill stated: "This excludes the cost of the 'nuclear umbrella' which is perhaps the cornerstone of NATO . . ." and the Committee added that "a review of selected general purpose weapons systems estimated to cost \$30 billion shows that \$21-\$25 billion of that cost can be identified with the requirement to support NATO defense." (S. Rept. 92-359, P. 15-16) Yet, according to London's Institute for Strategic Studies, in 1969, when the United States spent 8.6% of GNP and \$393 per capita for defense, Germany spent only 3.5% and \$90 per capita, Italy 2.9% and \$44 per capita, France 4.4% and \$123 per capita, Britain 5.1% and \$100 per capita, and so on. According to the Senate Armed Services Committee the situation was no different in calendar year 1970. It reported that ". . . data for calendar year 1970 shows that the NATO allies spend 4.1 percent of their GNP on military programs compared to United States spending of 8.6 percent." Under these circumstances it makes little sense for the United States to foot the military aid bill for Greece and Turkey, to cite only one small example of the inequities of the present situation. There is no reason why the other NATO nations should not assume this and other burdens now borne by the United States taxpayer. Japan, even under plans for a substantial increase in military spending over the next five years, will allocate less than 1% of GNP for defense. It now spends about \$15 per capita annually for defense purposes.

Yet the United States, throughout the world, provides the defense umbrella that frees vast resources of the other rich nations which, in all likelihood, would otherwise be spent for military purposes. To the extent that the United States provides this subsidy, it permits these other nations to achieve, with relative ease, the kind of reordering of national priorities which this country has been unable to accomplish because of its huge defense expenditures. Viewed in this light it is only fitting that these nations should give a greater proportion of their resources, in the form of economic aid, to helping the develop-

ing nations. To measure only one segment of the U.S. aid effort, and by such a distorted yardstick as GNP at that, without considering the totality of United States economic and military support for both the rich and the poor is to see only a few trees and not the forest.

THE SECRECY PROBLEM

For many years the Committee has pressed for public release of more information about the foreign aid program. It is not possible to carry on a rational public dialogue about foreign aid if the amounts involved are kept from public scrutiny. In 1969 country-by-country economic aid figures were finally declassified. This year, in bits and pieces, the Executive Branch declassified much of the country-by-country figures for military grant aid and credit sales. There are a few countries in the Middle East and North Africa, however, for which the Executive Branch insists on keeping the figures classified. The Committee is gratified that progress has been made in bringing out in the open more information about where American tax money is being spent abroad. It expects that further progress will be made in this direction by the time the FY 1973 program is presented to Congress.

COST ESTIMATES

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires that committee reports on bills and joint resolutions contain: "(A) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year . . ." The Act also requires that the committee's cost estimate be compared with any estimates made by a Federal agency.

The Committee estimates that the cost of carrying out the provisions of H.R. 9910 during FY 1972 will be \$3,660,255,000, which is the cost for the programs proposed by the Executive Branch less the reductions made by the Committee.

The outlook for foreign aid programs over the following five years is murky at best. Based on a straight line projection of the program levels recommended, the costs for FY 1973-FY 1977 will total \$18,301,275,000, not taking into account inflation or other unforeseeable factors. This, of course, reflects only costs for programs authorized in this bill and does not take into account aid programs authorized under other laws.

In view of the Committee's difficulty in obtaining long-range estimates from the Executive Branch, the Committee staff was directed to make long-range projections. It did so primarily on the basis of the size of programs for FY 1970-FY 1971 and the programs proposed for FY 1972.

The staff estimates that, on the basis, all foreign assistance for the five-year period, FY 1973-1977, would total slightly more than \$51 billion, approximately the same amount as was spent in the last five years. Of the total, \$24 billion would be for development or humanitarian assistance and \$27 billion would be for military or related assistance programs. Thirteen billion would be attributable to programs now funded through appropriations for the Department of Defense, and the Public Law 480 program accounts for an additional \$7 billion.

TABLE V.—ESTIMATED LEVELS OF FOREIGN ASSISTANCE, FISCAL YEARS, 1973-77¹
 [In thousands of dollars]

	Military programs					Economic programs							Total			
	Grant military assistance				Total military	AID programs				Other economic programs			Foreign Assistance Act, military credit sales, DOD military aid	Military and economic fiscal years 1973-77		
	Foreign military credit sales	MAP	Excess defense articles	Ship loans		Development assistance	Supporting assistance	Administrative expenses	Contingency fund	Total AID programs	Peace Corps	Public Law 480	Total economic			
East Asia and Pacific	423,000	3,096,000	525,000	15,250	13,380,000	17,439,250	2,358,000	4,188,000	-	6,546,000	78,000	2,610,000	9,234,000	23,970,000	26,673,250	
Near East and South Asia	1,800,000	978,000	452,000	25,000	-	3,255,000	2,340,000	-	200,000	2,540,000	45,000	2,930,000	5,515,000	5,770,000	8,770,000	
Europe	50,000	18,000	10,000	-	78,000	-	-	-	-	-	66,000	66,000	68,000	144,000	-	
Africa	195,000	92,500	12,500	-	300,000	861,600	99,600	-	-	961,200	108,000	592,200	1,661,400	1,261,200	1,961,400	
Latin America	671,000	50,000	25,000	4,000	-	750,000	2,311,200	21,000	-	2,332,200	114,000	817,200	3,263,400	3,082,200	4,013,400	
Summary—All programs	3,089,000	4,266,500	1,032,500	54,250	13,380,000	21,822,250	7,870,800	4,308,600	363,000	800,000	13,339,400	345,000	7,015,400	20,699,800	35,107,400	42,522,05

¹ Inflation factor of 3.5 percent used to calculate projections for all programs except those for ship loans and excess defense articles.

Average program for fiscal year 1970-72 used to project economic programs; fiscal year 1971-72 used as base for projecting military programs in most cases.

It is assumed that Vietnam war related programs will continue at fiscal year 1972 rate.

TABLE VI.—*Other foreign assistance programs—Not included on regional chart¹*

		[In thousands of dollars]
Economic:		<i>Estimate, fiscal year 1973-77</i>
1. U.S. contributions to international financial institutions ²		-----
(a) International Development Association-----	\$1,600,000	
(b) Inter-American Development Bank-----	2,300,000	
(c) Asian Development Bank-----	240,000	
(d) African Development Bank-----	15,000	
Total, U.S. contributions	4,155,000	
2. Export-Import Bank: Long-term loans to developing countries	3,060,600	
Total, economic	<u>7,215,600</u>	
Military:		
1. Public Law 480 grants for defense purposes	699,600	
2. MAAG's, military groups, etc. (excluding Vietnam, Thailand, and Laos)	278,400	
3. International military headquarters	188,400	
4. NATO infrastructure	120,000	
Total, military	<u>1,286,400</u>	
Total, other foreign assistance programs	8,502,000	
Estimates from regional chart	<u>42,522,050</u>	
Grand total, foreign assistance	<u>51,024,050</u>	

¹ Programs are projected on the basis of the fiscal year 1972 estimate, plus an inflation factor of approximately 3.5 percent, except for Export-Import Bank loans which are projected on the basis of the fiscal years 1968-70 average and expenses of MAAG's, etc., which are based on fiscal year 1971 estimate.

² Represents a continuation forward of present levels or scheduled contributions; does not include an inflation factor.

On October 14, shortly before the Committee completed its markup of the bill, a letter was received from the Secretary of State containing five year projections of military grant and credit assistance. The low range was \$5.1 billion and the high range, which, the Secretary stated, was ". . . a reasonable assessment of the requirements . . . as far as can be predicted at this time," was \$9.2 billion. The estimates do not include expected outlays for South Vietnam and other countries now receiving military aid through the Defense budget, supporting assistance, the value of excess materials to be given away, ship loans, or grants for military purposes under the P.L. 480 program which, projected at present levels, would be more than double the high range estimate.

No estimates have been received from the Executive Branch for economic assistance projects.

CONCLUSION

The fact that the Committee has approved a foreign aid bill at all this year reflects the view of a majority of the members of the Committee that continuation of the existing program is in the national interest. There is, however, general agreement among members of the Committee that the aid program as constituted must be drastically altered and reshaped if it is to continue to command the support of Congress in the future. For the last several years Congress has allowed it to

continue more by sufferance and a lack of appealing alternatives than through true support. In view of the dearth of enthusiasm for the existing program, the government's fiscal crisis, and the state of our economy and our society, it is remarkable that there is a foreign aid bill at all this year. Under these circumstances the Committee believes that the reductions it made in the Executive Branch's request are modest, the sums it allowed generous, and the changes it recommends long overdue.

SECTION-BY-SECTION ANALYSIS

PART 1—ECONOMIC ASSISTANCE DEVELOPMENT LOAN FUND

Section 101—Development Loans

Section 101(1)(A) amends section 202(a) of the Foreign Assistance Act of 1961 and authorizes the appropriation of \$320 million in each of the fiscal years 1972 and 1973 for worldwide development lending. This amount is twenty percent less than that requested by the Executive Branch and may be compared to the following:

Development loan program (excludes Alliance for Progress loans) :	
1. Fiscal year 1970 appropriation-----	\$800,000,000
2. Fiscal year 1971 appropriation-----	420,000,000
3. Fiscal year 1972 appropriation request-----	400,000,000
4. House allowance:	
Fiscal year 1972-----	400,000,000
Fiscal year 1973-----	450,000,000
5. Committee recommendation:	
Fiscal year 1972-----	820,000,000
Fiscal year 1973-----	820,000,000

Development loans provide part of the resources needed to support the self-help efforts of recipient countries and underwrite the planning and execution of their development programs. These loans finance the commodities and technical services used for the construction of facilities such as schools, clinics, roads, dams and irrigation facilities and factories, and the import of a wide range of products such as fertilizer, farm equipment, chemical products, iron and steel products, motor vehicles, industrial and electrical machinery, petroleum and other products.

Most development loans to recipient governments are on 40-year terms, including a 10-year grace period. Interest rates are 2% during the grace period and 3% thereafter.

The following table shows the Administration's proposed development lending program (excluding Latin America) for fiscal year 1972:

	<i>Millions</i>
Near East and South Asia-----	\$870. 0
India -----	220. 0
Pakistan -----	110. 0
Turkey -----	40. 0
	<u><u> </u></u>
East Asia-----	140. 0
Indonesia -----	100. 0
Korea -----	20. 0
Philippines -----	20. 0
	<u><u> </u></u>
Africa-----	95. 0
Africa Regional/Multidonor-----	2. 5
Central and West Africa Regional-----	7. 0
East Africa Regional-----	7. 0
Southern Africa Regional-----	5. 0
Congo (K) -----	12. 0
Ethiopia -----	15. 0
Ghana -----	4. 0
Kenya -----	11. 0
Liberia -----	16. 0
Morocco -----	3. 0
Nigeria -----	10. 0
Tanzania -----	2. 5
Tunisia -----	<u><u> </u></u>
Uganda -----	<u><u> </u></u>
	<u><u> </u></u>
Grand total-----	605. 0

Subsection 101(1)(B) repeals existing authority which permits appropriations to be made on the basis of the balances remaining from previous authorizations for development loans. Without this restriction a total of \$230 million, above the amounts authorized for FY 1972 could otherwise be appropriated during this fiscal year on the basis of balances from previous authorizations. The Committee believes that if any of these funds were appropriated, it would serve to negate the Committee's recommendation and it has, therefore, repealed this authority.

Subsection 101(1)(C) extends for FY 1972 and FY 1973 the provision of existing law which requires that not less than 50 percent of the funds appropriated for development lending shall be available for loans made to encourage economic development through private enterprise.

Subsection 101(2) extends through FY 1973 the authorization in section 203 of the Act for the use of proceeds from certain loan repayments for further lending purposes.

Section 101(3)—Multilateral Programs

This subsection is designed to encourage the shift of a greater proportion of United States bilateral aid to a multilateral basis. It puts the Congress on record in favor of moving to internationalize our bilateral aid program, to the extent feasible. It is consistent with the President's announced policy. He stated in his September 15, 1970 message to Congress: "I propose that the United States channel an increasing share of its development assistance through multilateral institutions as rapidly as practicable." He said that "moving in this direction holds the promise of building better relations between borrowing and lending countries by reducing the political frictions that arise from reliance on bilateral contracts in the most sensitive affairs of nation-states."

In order to implement this policy, this provision requires that the bilateral development loan program be phased out by not later than June 30, 1975. And it authorizes the President to use any of the funds appropriated for economic aid to be transferred to multilateral lending institutions for lending purposes. If after 1975 an unusual situation developed where the President felt that a bilateral loan was important to the national interest—another British loan case, for example—he can come to Congress and ask for a specific authorization. It does not provide for phasing out the technical assistance program, although it would permit transfer of technical assistance funds to the multilateral organizations.

A majority of the members of the Committee on Foreign Relations have long held the view that multilateral means of channeling the foreign assistance efforts of the United States are superior to bilateral methods. The Committee has been a strong and constant supporter of international financial and development institutions. For example, recently the Committee by votes of 14 to 1, 15 to 0, and 13 to 2 reported favorably authorization for a total of \$2 billion in additional contributions to the International Development Association, the Inter-American Development Bank, and the Asian Development Bank, respectively. In contrast many of the major issues involved in this bilateral aid bill were decided in Committee by only the narrowest of margins.

The advantages of multilateral over bilateral aid were summarized in this way by Under Secretary of the Treasury Charles Walker in testimony before the Committee this year:

Here are some reasons why we think the multilateral approach is a sound one and worthy of our increasing support. It permits each donor country to contribute according to its financial strength with all countries contributing on the same terms. It permits a pooling of knowledge and expertise on development problems which no single country can muster.

It provides for an allocation of assistance on the basis of development needs, relatively free from political ties or commercial factors, thereby minimizing political motivation for assistance. These institutions are forums for bringing international influence to bear on donor countries, in connection with their trade policies, and on recipient countries, to follow

generally acceptable development policies. They provide an important force in favor of more open and less restricted national economies leading to a more effective use of externally provided resources as well as a more rational allocation of resources at home. And finally, they provide a shielding device against undue reliance of any recipient on a particular source of aid, an undue responsibility of any donor in support of a particular recipient.

The President's Task Force on International Development (Peterson Commission) also urged that greater emphasis be placed on the international organizations. It said:

The international organizations could roughly double their present rate of lending—from \$2.5 billion a year to \$5 billion a year—over the next several years while continuing to follow sound practices and maintain high standards. This judgment takes into account the capabilities of these organizations, the current international investment climate, the increasing availability of sound development projects, better planning and performance in both public and private sectors of the developing countries, and estimates of the level of foreign investment and bilateral assistance.

Subsection 3(a)(i) amends section 209(a) of the Foreign Assistance Act of 1961 to express Congress' strong support for the concept of multilateral aid. It states Congress' support for increasing the proportion of U.S. assistance to developing countries that should be channeled through multilateral organizations. It also expresses Congress' support for undertaking measures that will help improve the competency and capacity of the international organizations.

Subsection (3)(A)(ii) adds two new subsections to the revised section 209.

The new subsection (c) requires that the bilateral loan program be phased out by not later than June 30, 1975. During the phaseout period the Committee intends that maximum use be made by the President of the transfer authority available under the new subsection (d).

The new subsection (d) authorizes the President to transfer any funds appropriated under Part I of the Foreign Assistance Act, the economic assistance portion of the Act, to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank, or other multilateral lending or development institutions for lending purposes. The institution must agree, when making loans with the funds transferred, to take into account the same considerations that the President must now consider under sections 201(b) and (f), 207, and 208 of the Act. The funds could be transferred under such other terms and conditions as the President may determine.

Subsection 3(B) amends subsection 209(b) by striking out the heading.

Subsection 3(C) repeals section 205 of the Act which authorized the transfer of up to 10% of funds available for development lending to certain multilateral institutions. This authority is superseded by the expanded transfer authority authorized by subsection (3)(A)(ii).

Subsection 3(D) is a technical amendment to section 619 of the Act.

Section 102—Technical Cooperation and Development Grants

Section 102(1) authorizes an appropriation of \$208,270,000 for each of the fiscal years 1972 and 1973 for worldwide technical assistance and development grants. This amount represents a ten percent reduction in the Administration's request and may be compared to the following:

Technical Assistance (worldwide) :	
1. Fiscal Year 1970 appropriation-----	\$166,750,000
2. Fiscal Year 1971 appropriation-----	166,750,000
3. Fiscal Year 1972 authorization request-----	231,300,000
4. House allowance:	
Fiscal Year 1972-----	183,500,000
Fiscal Year 1973-----	183,500,000
5. Committee recommendation:	
Fiscal Year 1972-----	208,270,000
Fiscal Year 1973-----	208,270,000

The technical assistance program deals with the human side of the development process. Skilled Americans from all parts of the country join to work with people of the developing countries, to transfer the knowledge and techniques to the developing countries.

The United States has pioneered in developing technical assistance concepts and programs. Technical cooperation, as an organized governmental activity, began in 1942 with the Institute of Inter-American Affairs. The Point IV program, initiated by President Truman in his inaugural address of 1949, challenged the American people to pool their knowledge and energies with those of the peoples of the developing countries for the general betterment of mankind. These themes were carried out in the 1950's by the Foreign Operations Administration and the International Cooperation Administration which were followed in the 1960's by the Agency for International Development.

The major types of technical assistance are:

Research, helping solve development problems through research and building institutional research capacity in the developing countries themselves;

Institution-building, helping developing countries establish new institutions and improve existing ones;

Training, providing people with formal education, training in particular skills, and experience in modern techniques, so that they can contribute to development by using their new knowledge and skills and passing them on to others;

Advisory technical services, providing the skilled manpower needed to help developing countries adapt modern technology and employ modern research methods to the solution of their development problems.

Subsection 102(2)—American Schools and Hospitals Abroad

This section of the bill authorizes the appropriation of \$30,000,000 in each of the fiscal years 1972 and 1973 for the purpose of assisting "schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States." The section applies similarly to "hospital centers for medical education and research outside the United States, founded or sponsored by the United States citizens." The House bill also contains an authorization of \$30,000,000 for each year.

In recent years it has become the practice for Congress to specify each individual project and the amount to be spent on it from funds authorized by this section. This procedure has proved to be counter-productive and led, perhaps inevitably, to a considerable lobbying effort on behalf of American sponsored schools and hospitals abroad. As a result, the list of projects has increased significantly and Congress has not had sufficient opportunity to analyze the merits of each. The number of projects vying for a Congressional stamp of approval has increased several fold during the last few years. This year, for example, the Agency for International Development proposed a total of ten projects costing \$10.2 million. The House authorized an additional twenty projects, bringing the total cost to \$28.7 million. Some of these projects were also presented to this Committee. Thirteen projects in addition to those on the House list, totaling \$13.7 million have been submitted to the Committee on Foreign Relations for its consideration. These projects are as follows:

1. Beth-Avot American Geriatric Center-----	\$1, 200, 000
2. Beth Rivka Comprehensive School for Girls-----	1, 500, 000
3. Technion, The Israel Institute of Technology-----	4, 000, 000
4. Musa Alami Foundation of Jericho-----	200, 000
5. Kiriath Noar—A "Boys Town" type school for orphaned boys-----	500, 000
6. University of Pittsburgh—Haifa University Cooperative Study Program-----	2, 000, 000
7. Sefardic Vocational College for Girls-----	300, 000
8. Tom School-----	1, 000, 000
9. Ch'san Sofer Chasan Yecheskel Institute-----	350, 000
10. Shaari Zedak Hospital-----	750, 000
11. Betsefer Miksoi Tichoni Lemechonaut Rechev U.M-----	840, 000
12. Hebrew Union College Biblical and Archaeological School in Jerusalem-----	138, 800
13. Shockeyn Institute for Jewish Research in Jerusalem-----	1, 000, 000
 Total -----	 13, 778, 800

Because of the proliferation of projects, the Committee reached the conclusion that corrective action must be taken this year. Most importantly, the Committee believes that Congress should not put itself in the position of picking and choosing among proposals for individual school, hospital, or library projects in foreign countries. This is not the task of Congress. Nor is Congress best equipped to initiate such projects.

The role of Congress, in this instance, is to render an overall judgment about the value of the entire program based on testimony and evidence presented by AID and State Department officials and other witnesses. It is the responsibility of Executive-Branch officials to weigh the relative merits and weaknesses of each specific project, subject of course to overall Congressional review. Accordingly, the Committee has authorized a lump sum of \$30,000,000 for this program but without allocating amounts to individual projects.

In taking this action, the Committee was faced with the practical problem of the House already having listed individual projects and recommended specific amounts for each. In view of this situation, the Committee expects that AID and the State Department will consider the projects submitted to the Committee, as listed above, on an equal basis to those recommended by the House. In considering the projects submitted to both the Senate and the House, AID and State Depart-

ment officials should weigh each on its merits according to the established criteria used by AID and the State Department to evaluate the merits of Section 214 projects and in consultation with the host government. The Committee is not sure that all of the projects submitted to it qualify for funding under the Act. The combined Senate and House list is not intended to exclude other appropriate projects from consideration and evaluation by Executive Branch officials.

Subsection 102(3)—Suez Canal

Subsection 102(3) adds a new section to Title II of the Act which authorizes an appropriation of the equivalent of \$10 million in Egyptian pounds, owned by and excess to the needs of the United States, for the purpose of assisting in the reopening of the Suez Canal. In no case will the United States furnish such assistance until the parties involved—principally the United Arab Republic and Israel—have reached agreement on this matter. Another condition for U.S. assistance is that the agreement stipulate that the canal will be open on equal terms to the ships of all nations, including Israel, on a nondiscriminatory basis.

The Committee believes this authorization may prove useful if and when a negotiated settlement is reached in the Middle East. However, rather than provide an open-ended authorization for the appropriation of U.S.-owned Egyptian pounds for this purpose, the Committee believes that the equivalent of \$10,000,000 in such funds should prove sufficient for the foreseeable future. If future developments warrant increased funding, the Congress can authorize additional funds.

Section 103(1)—Worldwide Housing Guaranties

This section amends section 221 of the Act by increasing by \$50,000,000 the ceiling on the total authority for guaranty of housing projects outside of Latin America. With this increase the total face amount of housing guaranties that may be issued under section 221 will be \$180,000,000.

The Committee believes that this increase will be more than sufficient in view of the fact that only \$32.5 million in guaranties had been issued through March 31 of this year.

Section 103(2)

This section amends section 223(1) of the Act to extend the worldwide housing guaranty authority through June 30, 1974.

Section 104—International Drug Control Assistance and Related Restrictions

Subsection 104(a) adds a new title IIA dealing with international drug control assistance to Chapter 2 of Part I of the Foreign Assistance Act. Pursuant to its terms, the President is authorized to furnish assistance to any foreign country in order to encourage and enable such country to control or eliminate the production, processing or distribution of drugs (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) within or across its boundaries. In addition, the President is authorized to furnish assistance to any international organization, such as the United Nations Special Fund for Drug Abuse Control, for the same purpose. Not less than \$25,-

000,000 of Foreign Assistance Act funds shall be available in each fiscal year only to carry out the provisions of the new title.

Subsection (b) adds a new subsection (v) to Section 620 of the Foreign Assistance Act, relating to prohibitions against furnishing assistance. It provides that the President shall determine annually, before furnishing any assistance to a foreign country, whether such country has undertaken appropriate measures to prevent drugs, partially or completely processed or produced in or transported through such country, from unlawfully entering the United States or being unlawfully supplied to American citizens. If the President determines that such country has not taken appropriate measures to control the illegal flow of narcotic drugs into the United States, he shall cease to furnish all assistance to that country and seek, through the United Nations or any other international organization, the imposition of international sanctions against such country. On the other hand, if the President finds, after his determination to cease to furnish assistance to a foreign country, that such country has undertaken appropriate measures to prevent the illicit flow of drugs into the United States, or finds that the overriding national interest requires that assistance be furnished to such country, he may continue or resume assistance to the country, as the case may be.

The new subsection also provides that the President shall utilize agencies and facilities of the United States Government to assist foreign countries in their efforts to prevent drugs from unlawfully entering this country or being supplied to our citizens. No law shall be construed to authorize the President to waive the provisions of this subsection.

Section 105—Overseas Private Investment Corporation

Subsection 105(1) amends section 238(c) of the Act in order to permit any group of U.S. investors holding 95 percent of the subscribed share capital of a foreign corporation to qualify as eligible investors for the purposes of participation in OPIC programs. Such investors are currently eligible only if foreign law requires 5 percent of the share capital to be held by their nationals or other foreign citizens.

Subsection 105(2) amends section 239 of the Act to add a new subsection (g) which authorizes the operation of programs by the Overseas Private Investment Corporation in any country if the President determines that such operations of those programs in that country would be in the national interest.

The primary purpose of this provision is to authorize OPIC guarantees for investments by U.S. investors in Yugoslavia and Romania. The Committee believes that this is a desirable goal and one which could serve to improve our overall relations with the Communist countries.

Subsection 105(3) extends the existing provisions of the Act relating to agricultural credit and self-help community projects through June 30, 1974.

Section 106—Alliance for Progress

This section authorizes appropriations for each of the fiscal years 1972 and 1973 of \$309,400,000 for the Alliance for Progress, of which no more than \$109,650,000 may be used for technical assistance grants.

The total amount represents a fifteen percent reduction in the Administration's request and may be compared to the following:

ALLIANCE FOR PROGRESS

	Loans	Limitations on grants	Total
1. Fiscal year 1970 appropriation-----	\$225,000,000	\$81,500,000	\$336,500,000
2. Fiscal year 1971 appropriation-----	287,500,000	82,875,000	370,375,000
3. Fiscal year 1972 appropriation: Request-----	235,000,000	129,000,000	364,000,000
4. House allowance: Fiscal year 1972-----	287,500,000	90,750,000	378,250,000
Fiscal year 1973-----	337,500,000	90,750,000	428,250,000
5. Committee recommendation: Fiscal year 1972-----	199,750,000	109,650,000	309,400,000
Fiscal year 1973-----	199,750,000	109,650,000	309,400,000

The following table shows the Administration's proposed FY 1972 development lending program for Latin America.

Country	In millions
Colombia -----	60.0
Brazil -----	60.0
Central American Economic Community :	
Regional Office of Central America and Panama (ROCAP)-----	10.0
El Salvador -----	10.5
Guatemala -----	15.0
Honduras -----	9.0
Nicaragua -----	10.0
Bolivia -----	10.0
Dominican Republic -----	15.0
Ecuador -----	14.0
Guyana -----	3.5
Jamaica -----	10.0
Panama -----	25.0
Paraguay -----	6.0
Peru -----	10.0
Uruguay -----	12.0
Eastern Caribbean Regional -----	10.0
Regional -----	5.0
Total -----	310.0

Section 107—Authorization for Population Programs

Section 107 amends section 292 of the Act to authorize the appropriation of \$125,000,000 for population and family planning programs in each of the fiscal years 1972 and 1973.

The authorization of an increase in funding for population activities follows past practice and emphasizes the Committee's concern over the population growth problem. In FY 1970, Congress earmarked \$75 million and in FY 1971 it set aside \$100 million for this purpose. The Committee believes this pattern of increasing emphasis should be maintained because of the critical importance of the problem. The House-passed bill, on the other hand, maintains the FY 1971 spending rate of \$100 million. In the Committee's view this approach runs the risk of losing the momentum established during the last few years.

Since it is estimated that the average number of women in the less developed countries aged 20 to 29—the peak years of human fertility—will increase by about one-third during the 1970s and two-thirds during the 1980s, over the average number for the 1960s, every effort

should be made to extend family planning information and services on a voluntary basis to couples in the developing countries. Unless population growth rates in these countries are reduced, their populations will double in 20 to 30 years and their development efforts over the next two decades will not result in any noticeable improvement in individual standards of living.

The Committee is encouraged by the important role which the United Nations, through the UN Fund for Population Activities, is now playing in support of family planning and population programs in the developing countries. Established by the Secretary-General in 1967 and transferred in 1969 to the UN Development Program under Paul Hoffman, the Population Fund expects to receive during calendar year 1971 nearly \$30 million in voluntary contributions from some thirty governments, including the United States. The funds are to be used to supplement the various national family planning programs and to strengthen technical assistance and training provided through the United Nations system. The Committee has long urged that a larger share of U.S. assistance in this field be provided to multilateral organizations like the United Nations and the International Planned Parenthood Federation and hopes that a substantial portion of the funds earmarked for population activities will be used regularly to support these international initiatives.

Section 108—International Organizations and Programs

Subsection 108(1) authorizes the appropriation of \$139,000,000 in each of the fiscal years 1972 and 1973 for voluntary contributions to various international organizations and programs. This amount represents a slight reduction in the Administration's request and may be compared to the following:

International Organizations and Programs

1. Fiscal year 1970 appropriation	\$105,000,000
2. Fiscal year 1971 appropriation (includes \$14,300,000 for UNRWA)	118,110,000
3. Fiscal year 1972 request	141,000,000
4. House allowance:	
Fiscal year 1972	143,000,000
Fiscal year 1973	139,000,000
5. Committee recommendation	
Fiscal year 1972	139,000,000
Fiscal year 1973	139,000,000

These contributions will help fund twelve multilateral assistance programs, the largest of which is the UN Development Program. The Committee wishes to draw special attention to the UN Children's Fund, to which the Executive Branch plans to contribute \$13 million in FY 1972. The Committee recommends that the United States contribution to the UN Children's Fund be increased to \$15 million. This increase was also recommended by the House Committee on Foreign Affairs.

For most of these international programs, the United States contributes between 33 and 40 percent of the total budget. The following compares U.S. contributions in FY 1971 with those proposed for FY 1972.

VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS¹

[In thousands of dollars]

	Fiscal year 1971 estimated	Fiscal year 1972 proposed
Multilateral technical assistance:		
U.N. development program.....	86,268	100,000
U.N. Children's Fund.....	13,000	13,000
U.N. population program.....	² 7,500	7,500
U.N. fund for drug abuse control.....	2,000	2,000
International Atomic Energy Agency-operational program.....	1,550	1,550
World Meteorological Organization-voluntary assistance program.....	1,500	1,500
U.N./FAO world food program.....	1,500	1,500
U.N. Institute for Training and Research.....	400	400
World Health Organization-medical research.....	150	312
International Secretariat for Voluntary Service.....	70	73
Special contributions for Vietnam.....	950	...
Total.....	114,888	127,835
U.N. Relief and Works Agency:		
Regular budget.....	³ 13,300	13,300
Arab refugee vocational training.....	1,000	...
Total.....	14,300	13,300
Total U.N. and related programs.....	129,188	141,135

¹ Excludes proposed U.S. contribution to the U.N. force in Cyprus, which is included under economic supporting assistance.

² Includes \$4,000,000 from development loans for population program under title X.

³ Funded from supporting assistance.

Section 108(2)—Indus Basin Project

This subsection authorizes the appropriation of \$15,000,000 in each of the fiscal years 1972 and 1973 for U.S. grant contributions to the World Bank-administered consortium which is financing the Indus Basin development project.

Because of the possibility that funds appropriated for the Indus Basin could be transferred and consolidated with funds for other assistance programs, the Committee has added language to prevent any transfer of these funds, as the President may otherwise be able to do under Sections 610(a) and 614(a) of the Act.

The amount authorized by the Committee is the same as that requested by the Administration and may be compared to the following:

Indus Basin—Comparative Data (Note.—Authorization is required only for grants for the Indus Basin project. Loans are already authorized under Sec. 302(b)(1) of the Foreign Assistance Act of 1931 as amended.) :	
1. Fiscal year 1970 appropriation.....	\$7,500,000
2. Fiscal year 1971 appropriation.....	4,929,000
3. Fiscal year 1972 request.....	15,000,000
4. House allowance:	
Fiscal year 1972.....	5,000,000
Fiscal year 1973.....	10,000,000
5. Committee recommendation:	
Fiscal year 1972.....	15,000,000
Fiscal year 1973.....	15,000,000

The Committee strongly favors this type of development project and the multilateral auspices under which it is being carried out.

The Indus Basin Settlement Agreements of 1960 and 1964 provide for the establishment of the Indus Basin Development Fund to finance a construction program which ensures an equitable division of the waters of the Indus Basin between India and Pakistan and helps provide arable land for over 50 million people in those countries. The

United States and eight other donors (the World Bank, Australia, New Zealand, Pakistan, United Kingdom, Canada, Germany and India) contribute to the fund.

The Indus Basin Settlement succeeded in forestalling imminent hostilities between India and Pakistan over the Indus waters. Under the agreements, India received the use of the waters of the three eastern rivers—the Ravi, Beas and Sutlej—and Pakistan the use of the waters of the three western rivers—the Indus, Jhelum and Chenab. The downstream irrigated areas in Pakistan formerly dependent on water from the three western rivers through a series of barrages (low dams) and replacement link canals supplemented by the construction of a high storage dam on the Jhelum. In addition to replacing water diverted to India, the agreements provide for a substantial element of development for Pakistan which has been identified largely with the Tarbela Dam on the Indus. This structure will impound 11 million acre feet of water for additional irrigation of the 50 million acre area and have an initial power capacity of 700 megawatts.

Over 95% of the replacement works of the Indus Basin has been completed, including the Mangla Dam, 300 miles of link canals and 7 barrages. The Chasma-Jhelum link canal was substantially completed on November 2, 1970, 5 months ahead of schedule. Commissioning is due to commence in May 1971. Completion of the Taunsa-Panjnad 50-mile link canal is expected by October 1971; and the Chasma Barrage, by May 1971. The Government of Pakistan, with the approval of the IBRD, concluded a contract for the main civil works of the Tarbela Dam in May 1968. The bulk of the funds applied to the Indus fund this year and in the future will finance the construction of Tarbala Dam, which is scheduled for completion in 1976.

The Indus Basin Development Fund Agreement provides that contributors make payments to the Indus Fund according to a fixed apportionment upon semiannual call from the World Bank. Funds are called on the basis of the anticipated rate of construction and disbursements.

The total commitment to the Indus Fund, including the carryover for Tarbela, amounts to \$1,541.2 million in foreign exchange and rupees. The United States has pledged \$295 million in grants, \$121.2 million in loans, and \$235 million equivalent in P.L. 480 Pakistan rupees. India is contributing \$168.8 million in foreign exchange, and Pakistan is contributing \$1.2 million in foreign exchange and \$360.5 million equivalent in rupees. In addition, Pakistan is meeting all rupee requirements for the Tarbela Dam which amount to about \$500 million equivalent.

Disbursements through December 1970 included \$526.9 million from the United States, \$168.8 million from India, \$395.6 million from Pakistan and \$271 million from other donors.

Section 108(3)—Technical and Vocational Training of Arab refugees

Section 108(3) authorizes an appropriation of \$1 million for each of the fiscal years 1972 and 1973 for an additional contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees. This special authorization was initiated by Congress in 1969 and \$1 million was provided for this purpose in each of the fiscal years 1970 and 1971.

Egyptian Pounds

Section 108(4) authorizes the appropriation of \$1 million for each of the fiscal years 1972 and 1973 in Egyptian pounds owned by the United States and determined to be excess to the requirements of the U.S. Government, for the purpose of providing technical and vocational training and other assistance to Arab refugees.

Amounts appropriated under this subsection are authorized to remain available until expended.

The Committee believes that training and resettlement of refugees can help to promote a solution of the Arab refugee problem in the Middle East. The United States owns a substantial amount of Egyptian pounds which are currently excess to the needs of our Government departments and agencies. Since it appears that some of those pounds might be utilized to expand vocational training of Arab refugees, the Committee recommends that the President be given the authority contained in this subsection.

Section 109—Contingency Fund

This section authorizes the appropriation of \$30,000,000 for each of the fiscal years 1972 and 1973, the same amount authorized by the House of Representatives. The Administration request was for \$100 million.

The Committee believes that the amount authorized is in line with AID's use of the contingency fund over the past several years and should be sufficient to meet unforeseen developments or situations during FY 1972 and FY 1973 which are not of sufficient magnitude for the President to make a special request to Congress for additional funds.

	[In millions]	Authorized	Used
Fiscal year:			
1968-----		\$50	\$27.5
1969-----		10	13.9
1970-----		30	27.7
1971 (estimated)		30	29.3

Section 110—Relief for Pakistani Refugees

This section adds a new section 481 to the Foreign Assistance Act which authorizes \$250,000,000, requested by the President, for use in providing for the relief of refugees from East Pakistan in India and for humanitarian relief in East Pakistan. These funds will be in addition to those available for humanitarian and relief assistance under Public Law 480.

The Committee is greatly concerned over the tragedy taking place in East Pakistan. The Agency for International Development estimated that, as of October 14, more than nine and one-half million East Pakistanis had fled their homes to take refuge in India. And the flow continues. Famine threatens many millions of Bengalis who remain in East Pakistan. The United States has a very strong interest in helping in every way possible to avert war and massive human suffering in that area.

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The Committee has been advised that the United Nations is leading and coordinating international humanitarian relief efforts in both India and East Pakistan. The Agency for International Development estimates that the total costs of providing food, water, clothing, shelter, medicine, and skeletal public services for the refugees in India will cost about \$95 million per one million refugees for the first year. This totals over \$900 million for first-year costs for the existing refugee load.

According to the latest information available to the Committee, total refugee aid to India from all sources amounts to about \$210 million, of which the United States has contributed \$89.2 million. It is estimated that the costs thus far exceed \$350 million, most of which has been borne by the Indian government. United States grant funds for refugees in India are contributed as part of the international relief effort which is being coordinated by the UN High Commissioner for Refugees (UNHCR). These funds are made available through the Office of Refugee and Migration Affairs, Department of State. Some of the grant funds are being allocated directly to the Government of India and some to the UN High Commissioner for Refugees (UNHCR) or directly to other international voluntary agencies, depending upon priority needs of the refugee situation and capabilities and plans of the various organizations involved. P.L. 480 food assistance is made available through A.I.D. channels.

The relief requirements in East Pakistan are difficult to estimate. A United Nations team has estimated that there will be a foodgrain shortfall in East Pakistan of 1.8 million tons. In addition, edible oils and high protein foods will be needed to supplement grain requirements. According to A.I.D., total U.S. humanitarian relief for East Pakistan since March 25 comes to \$82.3 million in dollars and food aid, and U.S.-owned local currency. Assistance from other nations totals \$37.5 million.

In East Pakistan the monitoring of the receipt and distribution of foodstuffs and other relief assistance is being carried out by a special UN Relief Supervisory Team set up by the Secretary General. Primary distribution of foodstuffs is being made by the Food Department of the Government of East Pakistan under the supervision of that Team.

In authorizing \$250 million for relief activities the Committee expects that Executive Branch officials will exert every effort to get other countries, including the Soviet Union and other Communist nations, to pay a fair share of the costs of this tragedy. The Executive Branch estimates that countries other than the United States have, thus far, contributed \$159 million in goods and services for the refugee relief effort. The Committee does not intend that the United States, in any way, assume primary responsibility for the refugee problem. This is an international disaster and the responsibility must be shared by the entire world community under the leadership of the United Nations.

The Committee adopted the following amendment to stress its concern that government-to-government channels be minimized in the distribution of relief and to forestall the possible buildup within the

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Agency for International Development of a large operating arm to carry out disaster relief programs:

"Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies."

The Committee does not wish to have the U.S.-Pakistani relief effort used by A.I.D. as a foot in the door to build up an operating disaster relief agency, as A.I.D.'s normal activities are curtailed by the shift of our aid to a multilateral basis. The Committee believes that the international organizations and the voluntary agencies provide the most effective organizational framework for distribution of U.S. relief in disaster situations.

Printed below are two tables providing information on the United States relief assistance furnished to date in both India and East Pakistan:

South Asia Relief Assistance

(Contributions reported as of Oct. 19, 1971)

Refugee Relief in India:

U.S. Government Assistance-----	\$89,157,000
(Of which Dollar Assistance was \$35,500,000; and Food Assistance was \$53,657,000)	
Assistance from Other Sources-----	121,068,766
(U.S. contributions as 42% of total)	

East Pakistan Relief:

U.S. Government Assistance-----	92,300,000
(Of which Dollar Assistance ¹ was \$9,000,000; Food Assistance, ² \$69,800,000; and Local Currency Assistance, \$13,500,000)	
Assistance from Other Sources-----	37,510,146
(U.S. contributions as 71% of total)	

¹ Excludes \$4.7 million for cyclone rehabilitation projects which is available for current expenditure.

² Excludes \$18.3 million food for cyclone relief authorized earlier but being delivered currently, and also excludes \$38.9 million of previously authorized normal PL 480 food which is also being delivered this fiscal year.

Source: A.I.D.

SOUTH ASIA RELIEF ASSISTANCE

(as of Oct. 19, 1971)

[In millions of dollars]

Allocation of international assistance between India and Pakistan				
	Total assistance from all sources	Percent share	U.S. assistance only	Percent share
India-----	210.2	62	89.2	44
Pakistan-----	129.8	38	93.3	56
Total-----	340.0	100	182.5	100

U.S. SHARE OF TOTAL INTERNATIONAL RELIEF ASSISTANCE

	Total	Percent share
United States-----	181.5	53
Other donors-----	158.5	47
Total-----	340.0	100

Source: AID.

PART II—MILITARY ASSISTANCE

Section 201—Authorization

Subsection 201(1) authorizes an appropriation of \$565 million in fiscal 1972 for military grant assistance. This amount represents a twenty per cent reduction from the Administration's request and may be compared to the following:

Military assistance funding—comparative data

1. Fiscal year 1970 appropriation.....	\$350,000,000
2. Fiscal year 1971 appropriation.....	¹ 690,000,000
3. Fiscal year 1972 authorization request.....	705,000,000
4. House action:	
Fiscal year 1972.....	705,000,000
Fiscal year 1973.....	705,000,000
5. Committee recommendation.....	565,000,000

¹ Plus \$60,000,000 in funds transferred from supporting assistance.

It is doubtful that the reduction recommended by the Committee will seriously impair the Administration's ability to carry out the kind of military assistance program that it proposed for fiscal 1972. As the following data indicates, the regular MAP program funded through the authorization in this bill is only a portion of the overall military assistance we provide to other nations.

Military assistance and related programs—proposed fiscal year 1972 levels

	(In millions of dollars)
Military Assistance Service Funded.....	\$2,230.8
Military Assistance Program.....	731.5
Foreign Military Credit Sales.....	582.0
Excess Defense Articles ¹	324.0
Ship loans ²	90.1
	<hr/>
	3,958.4

¹ Valued at approximately one-third of acquisition cost.

² Valued at acquisition cost.

PROPOSED MILITARY ASSISTANCE AND RELATED PROGRAMS FOR FISCAL YEAR 1972, BY REGIONS AND MAJOR RECIPIENTS

[In millions of dollars]

Region/country	Regular MAP	Other military programs	Total
East Asia and Pacific.....	\$501.1	\$2,523.0	\$3,024.1
Cambodia.....	200.0	11.0	211.0
Indonesia.....	24.9	3.0	27.9
Korea.....	239.4	402.9	642.3
Laos.....		125.8	125.8
Taiwan.....	19.5	93.0	112.5
Thailand.....		77.2	77.2
Vietnam.....		1,789.1	1,789.1
Near East and South Asia.....	167.0	533.8	700.8
Greece.....	19.8	98.0	117.8
Turkey.....	99.7	71.8	171.5
Latin America.....	9.8	73.8	83.6
Africa.....	19.0	18.6	37.6
Europe.....	14.0	57.6	71.6
Other.....	20.4	20.0	40.4
Total.....	731.5	3,226.9	3,958.4

Subsection 201(2)A—Conditions of Eligibility

This subsection amends section 505(b) (2) of the act which requires that the President determine, when furnishing assistance on a grant basis in excess of \$3 million, "that such defense articles will be utilized by such country for the maintenance of its own defensive strength, and the defensive strength of the free world." The amendment, which was put in on the House side, substitutes the word "or" for the word "and," thus relaxing the more stringent conditions now contained in the section.

The Committee accepts this amendment not because it believes the present conditions unduly restrict the President's authority to provide military assistance. Rather it accepts this amendment because it believes the conditions of eligibility already in the act have little, if any, meaning if the President and his advisors determine that this or that government should get military aid. As the House, too, recognizes, this amendment is really not necessary if the President wants to give more than \$3 million in military assistance to Indonesia, Cambodia or any other country without meeting the condition that such assistance will serve the "defensive strength of the free world . . ." Under the Act, the President has the authority to waive this condition. Hence the amendment is little more than a convenience to avoid the paperwork of a Presidential determination.

The only possible advantage the Committee sees in the amendment is that it may cut down on the number of Presidential waivers which would otherwise be issued.

Subsection 201(2B)—Public Law 480 Common Defense Grants

This subsection repeals section 505(c) of the act which requires that recipients of PL 480 assistance enter into an agreement with the United States to permit local currencies accruing to the United States under Title I of the Agricultural Trade Development and Assistance Act of 1954 to be used for common defense purposes, including internal security.

This amendment, originally introduced as S. 905, was sponsored by Senators Proxmire, Humphrey, McGovern and Mansfield. It removes the requirement that recipient countries formally agree that funds accruing from the P.L. 480 program to the United States be available for military assistance purposes.

Subsection 201(3)—Special Authority

This subsection amends section 506(a) of the act by extending for FY 1972 the authority of the President to draw on Department of Defense stocks to carry out the purposes of the military assistance program, subject to subsequent reimbursement therefor from military assistance funds. As in prior years, this authority is limited to \$300 million for fiscal year 1972.

Subsection 201(4)—Restrictions on Military Aid to Latin America

This amendment reduces from \$25 million to \$10 million the ceiling on the value of defense articles that the United States can furnish to Latin American countries during any fiscal year.

Beginning in FY 1966, Congress initiated what has developed into a phased reduction of our military assistance to Latin America. During the past six years, this program has steadily declined from a high of \$79 million in FY 1966 to a low of \$11 million in FY 1971. Clearly, the intent of the Congress has been to move toward the curtailment of the material assistance portion of the program.

The \$10 million ceiling recommended by the Committee is but another step in this direction.

Section 201(5)—New Provisions Relative to Military Assistance

New Section 511—Reduction in Military Aid Mission Personnel

The new section 511 states the sense of Congress that the size of our military aid missions should be reduced and consolidated with other elements of our overseas diplomatic missions and requires a twenty-five percent reduction worldwide by September 30, 1972 in the number of military aid mission personnel serving abroad. As of June 30, 1971, there were 2,808 military personnel serving abroad in 48 military aid missions, groups, or similar activities, not including South Vietnam.

The Peterson Task Force Report on International Development recommended a reduction and consolidation of U.S. military advisory groups and the Committee believes that this amendment is in line with the Task Force's recommendation. During the Committee's consideration of the 1969 foreign aid bill, it gave very serious consideration to compelling, by law, a reduction in the number of overseas military assistance advisors. The Committee's report on that bill clearly evidences its concern:

"Many members of the Committee have become increasingly concerned over the size of United States military aid missions abroad. As of July (1969), there were 3,185 Americans attached to the military missions in 36 countries which receive military aid under the authority of this bill."

"... The Committee is of the opinion that many of these missions could be eliminated entirely, at great savings to the taxpayer and with the resultant benefit to our foreign relations. The Committee expects to see considerable progress in this direction when it reviews the 1971 military aid program."

There have been some token cuts overall but there is no evidence to suggest that the Executive Branch has given this issue the serious attention that the Committee intended. In many instances either the cost of the military missions remains considerably greater than the aid programs being administered or the number of people in the mission is substantially larger than the size of the U.S. diplomatic mission—or both.

This amendment is aimed at bringing about the kind of corrective action which the Committee had hoped the Administration itself would initiate. The twenty-five percent reduction required by this amendment should be considered only as a beginning.

The amendment is not intended in any way to impose a ceiling on the number of military attaches stationed abroad but the Committee intends to keep close watch over our attaché missions to ensure that their personnel levels do not increase as the size of the military aid missions decline.

New Section 512.—Military Assistance to South Vietnam, Laos and Thailand

The new section 512 requires that, beginning with fiscal year 1973, all military aid to South Vietnam, Laos and Thailand be funded out of the regular military assistance program as authorized under the Foreign Assistance Act of 1961, as amended.

Military aid to these countries is currently being funded from the Department of Defense budget, an interim procedure which the Congress approved in 1966 in the case of South Vietnam and in 1967 in the cases of Laos and Thailand. This was done at a time when the realities of Southeast Asia were not unlike those that accompanied the Korean war buildup in 1950, which occasioned a similar funding transfer for military aid for Korea from the Mutual Security Act to the Defense Department budget.

The realities of the 1970's in Southeast Asia are not those of 1966 and 1967: the war is being wound down; U.S. combat troops are being withdrawn; and negotiations for a peace settlement are taking place. In other words, the realities of the situation in Indochina today are primarily political, in contrast to the predominantly military realities of 1966 to 1968. It should be noted that, together, the Cooper-Church and the Mansfield amendments should insure that participation by all U.S. forces in the war is ended within 6 months.

Accordingly, the time has come to return the funding of military aid programs in South Vietnam, Laos and Thailand to the regular foreign assistance program; this will permit the appropriate committees of Congress to judge our military aid programs in these countries in a foreign policy context. Military assistance to Cambodia is being judged in this way, through funding from the regular military assistance program.

This change will ensure that all U.S. military assistance to the four principal Southeast Asian recipients is judged against security assistance needs elsewhere—all of which have a direct bearing on this country's overseas commitments and its foreign policy in general.

New Section 513—Limitation on Availability of Funds for Military Operations

The new section 513 of the Act would require specific Congressional authorization before funds from any U.S. Government agency or official could be made available "for the purpose of financing any military operations by foreign forces in Laos, South Vietnam, North Vietnam, Thailand, Cambodia, or Burma outside the borders of the country of the government or person receiving such funds . . ." In addition, the amendment would require the President to make available to the Congress copies of any agreements and other information bearing on such military operations. The amendment is not intended, however, to infringe or restrict military operations and exercises outside Southeast Asia which are required for self-defense purposes or which are pursuant to regional defense arrangements, such as NATO, or other arrangements, such as U.N. peacekeeping operations.

This amendment is an outgrowth of the "crazy quilt" financing arrangements that have emerged from U.S. involvement in Indochina

and the conduct of cross-border military operations in that part of the world. With continuing reports about U.S. financing of Thais and Cambodian mercenaries in Laos, and even Thai mercenaries in Cambodia, it is virtually impossible for the Congress to judge the accuracy of these reports or know how much of the taxpayers' money is being used to support these activities, as well as others where the U.S. may be footing the bill for military operations ostensibly initiated and controlled by another government. In this connection, it will be recalled that only long after this fact did the Congress discover that Philippine and Thai troops in Vietnam were being paid at considerably higher rates by the U.S. Government than were American soldiers for comparable combat service.

The carrying out of such clandestine activities by the Executive Branch—without the knowledge, let alone the approval of the Congress—makes a mockery of our system of separation of powers.

This amendment would serve to restore a more proper balance between the Legislative and Executive Branches in such matters.

New Section 514—Payments in Local Currency for Military Grant Aid and Excess Military Equipment

This new section 514 requires that a foreign country which receives military grant aid or excess defense articles pay, in its own currency, 25% of the amount of the grant aid or, in the case of excess articles, an amount equal to 25% of the fair market value. The foreign currency obtained in payment would be available to meet U.S. obligations in the country and to finance educational and cultural exchange programs. It would not apply to a country where military aid was given in payment for base rights. And, if the President decided, the payment requirement would be waived if, without it, the United States did not need to make dollar purchases of the local currency for financing U.S. operations in that country. In practical effect, the payment requirement would not be applied unless it would actually result in dollar savings.

It is basically the same as an amendment adopted by the Senate last year in the Foreign Military Sales bill, H.R. 15628, but which was deleted in the conference with the House. The most significant change is that this provision requires only a 25% payment in the local currency, whereas last year's amendment called for 50%. That amendment was supported in the Senate by a vote of 36 to 52 when an attempt was made to strike it. The need for the amendment is even more compelling today than it was a year ago.

In none of the countries which are major recipients of military grant aid, Korea, Taiwan, Greece, and Turkey, does the United States own an excess of the local currency. In fact, none of the top ten recipients of military aid, programmed for FY 1972, are excess currency countries. There is no valid reason why recipients of military aid should not be required to pay at least one-fourth the value of the materials we give them, especially if we have to buy their currency with dollars to pay for the cost of U.S. operations in the country. Having additional foreign currencies available would lessen the drain on our dollar resources and have a favorable impact on our escalating balance-of-payments deficit.

The General Accounting Office examined the question of a foreign currency payment requirement from the standpoint of its potential impact on the budget. Based on the Treasury Department's estimates of U.S. foreign currency purchases in FY 1972 for official operations in countries which receive military grant aid, the United States would save \$117.7 million if 30% payment were made in the country's own currency for military grant aid programmed to be given to them. The GAO analysis and a table listing the major grant aid recipients and the estimated dollar purchases of their currency follows:

GENERAL ACCOUNTING OFFICE ANALYSIS

For the purposes of this analysis, the excess defense articles programmed for FY 1972 Military Assistance Programs are valued at one-third ($\frac{1}{3}$) of the cost of acquisition. This valuation is in accordance with the Foreign Military Sales Act, as amended. The data used for the analysis does not include nonregional military assistance grants, service-funded military assistance, or excess defense article programs for certain countries in Southeast Asia.

VALUE OF MILITARY ASSISTANCE PROGRAMMED FOR FISCAL YEAR 1972

The programmed FY 1972 military grant assistance and the value of excess defense articles, with the above exclusions, amounts to \$710 million and \$200 million, respectively, for a total of \$910 million. United States Treasury projected purchases of foreign currencies from commercial sources, in the same countries receiving the military aid, amounts to \$315 million for FY 1972.

POTENTIAL REDUCTION OF U.S. PURCHASES OF LOCAL CURRENCIES

In the proposed FY 1972 Military Assistance Program, a total of 35 countries are to receive grant assistance or excess defense articles, and in 28 of those countries the United States could reduce its foreign currency purchases if partial payments are made. In seven of the recipient countries the United States will not purchase local currency or has a sufficient amount of local currency holdings to meet requirements. Over 94 percent of the purchases which could be reduced would result from U.S. programs in six countries. Twenty-two other countries would account for about 6 percent of the reduced purchases.

On the basis of amounts programmed for FY 1972, the following table shows the amounts by which dollar purchases of local currencies could be reduced if the United States were to receive partial payment for military grant assistance and excess property grants in those countries where the United States purchases local currencies with dollars to meet its needs. Figures in the table are based upon applying a percentage to the value of programmed military assistance by country, comparing the results with the amount of projected local currency purchases in the country, and utilizing whichever is the lesser.

REDUCED AMOUNT OF U.S. FOREIGN CURRENCY PURCHASES

[In millions of dollars]

	Totals	6 countries	22 countries
Percentage of partial payment:			
50.....	\$131.5	\$124.6	\$6.9
40.....	125.9	120.3	5.6
30.....	117.7	113.3	4.4
20.....	83.7	80.5	3.2
10.....	45.5	43.5	2.0

Source: General Accounting Office.

Foreign currencies to be purchased in fiscal year 1972—selected countries

(In millions)

Korea	\$85.8
Spain	32.5
Greece	9.9
Philippines	83.4
Ethiopia	6.1
Republic of China	4.8

Source: General Accounting Office.

Finally, the requirement of 25% payment in value will serve as a brake on the appetites of foreign military leaders, who, under the present system, are encouraged to ask for all the weapons they can get since they cost them nothing. It will insure that requests by foreign countries for military aid must be treated as any other claim on that country's budget resources. If military aid must be weighed in balance with other national priorities, foreign governments may be more reluctant to approve their military leaders' requests for United States aid.

The President's Task Force on Foreign Assistance, after pointing out that the United States now makes the basic determination on what equipment a country should get, recommended that in the case of military grant aid: "More should be done to enable these receiving countries to estimate their own requirements, to relate them to their budgetary priorities, and to make their military decisions in the light of available resources." This provision will carry out the spirit of that recommendation.

Subsection (a)(1) requires that a recipient of military aid agree to deposit in a special account established by the United States the following amounts of currency of that country:

- (a) 25% of the fair value of excess defense articles; and
- (b) an amount equal to 25% of any grant of military assistance.

Subsection (a)(2) provides that the country must agree to make available, from that special account, sufficient amounts of the foreign currency thus generated to pay for the official local currency costs of the U.S. Government plus amounts needed to finance activities under the Mutual Educational and Exchange Act of 1961.

Subsection (b) permits the President to waive the foreign currency payment requirement if he determines that the currency will not be needed to finance both U.S. official operations in the country and educational and cultural exchanges.

Subsection (c) exempts from the payment requirement grants made to countries pursuant to base rights or similar agreements.

Subsection (d) states that the provisions of section 1415 of the Supplemental Appropriation Act of 1953 shall not apply to this section.

Section 202—Security Supporting Assistance

This section adds a new chapter 4 to part II of the Act entitled "Security Supporting Assistance." The sections in this chapter, which are numbered sections 531, 532, and 533 correspond to sections 401, 402, and 403, respectively, of the present chapter 4 of part I of the act. The name of this chapter has been changed from "Supporting Assistance" to "Security Supporting Assistance" to reflect more accurately the purposes of this form of assistance. This change is in accord with the Administration's proposed reorganization of the foreign assistance program.

Subsection (b) of this section repeals chapter 4 of part I of the act which was re-enacted without change as chapter 4 of part II by subsection (a) of this section. It also provides that references to chapter 4, or to part I or part II of the act, will not change the provisions of law, including implementing authorities, or other references applicable to supporting assistance, military assistance, or other types of assistance furnished under the Act.

The new section 532 authorizes an appropriation of \$614,400,000 in fiscal year 1972 for security supporting assistance. In addition, the section authorizes an appropriation of \$85,000,000 in supporting assistance for Israel only. This special authorization recognizes the severe strains placed on Israel's economy because of the critical situation in the Middle East.

The authorization recommended by the Committee may be compared to the following:

Security Supporting Assistance

1. Fiscal year 1970 appropriation	\$396,000,000
2. Fiscal year 1971 appropriation (does not include funds for UNRWA)	556,300,000
3. Fiscal year 1972 authorization request	778,000,000
4. House allowance:	
Fiscal year 1972	800,000,000
Fiscal year 1973	800,000,000
5. Committee recommendation	699,400,000

Supporting assistance provides budgetary or similar support to certain less developed countries threatened by internal insurrection or external attack. For fiscal year 1972 five countries are programmed to receive the bulk of these funds:

(In millions)

Vietnam	\$565.0
Cambodia	110.0
Laos	50.5
Thailand	40.0
Jordan	30.0

Over half of the supporting assistance funds requested by the Executive Branch, \$450 million, were to be used for the Commercial Import Program (CIP) and an Economic Support Fund in Vietnam. These programs are for the purpose of keeping inflation in that country at manageable levels. According to the Administration, the process of

Vietnamization makes the import program even more crucial than in the past because the shift of military responsibilities from the United States to Vietnam means that the Vietnamese are spending more for their own defense at the time when their foreign exchange earnings from U.S. military expenditures are decreasing.

To further compensate for the rapid decline in DOD expenditures in Vietnam during FY 1972, an additional \$150 million is requested for an Economic Support Fund. The \$150 million is roughly equivalent to the estimated decline in Department of Defense piaster purchases during the year. In addition to supporting assistance, South Vietnam is also slated to receive \$70 million in Title I P.L. 480 sales in FY 1972.

PART III—GENERAL AND ADMINISTRATIVE PROVISIONS

Sec. 301—Prohibition of Assistance to Greece and Pakistan

Section 301 adds two new subsections to section 620 of the Foreign Assistance Act which prohibit further assistance to Greece and Pakistan.

PROHIBITION OF ASSISTANCE TO GREECE

The new subsection (w) provides that no assistance shall be furnished under the Foreign Assistance Act, and no sales made under the provisions of the Foreign Military Sales Act, to Greece. This restriction may be waived only if the President finds that overriding requirements of the national security of the United States justify such action and promptly reports such findings to Congress, in writing, together with his reasons for such a finding. In no event shall the aggregate amount of assistance furnished under the provisions of the Foreign Assistance Act in any fiscal year exceed the aggregate amount expended for such assistance and such sales for fiscal year 1971.

The language of the provision requires that foreign assistance and military sales to Greece be suspended. This will demonstrate to the Greek government, and the world, that the military dictatorship of that country does not enjoy the backing and support of the United States Congress. It will also serve to show the people of Greece that the United States does not condone the failure of the military regime to schedule parliamentary elections and restore constitutional government. The suspension of aid can only be negated by a Presidential finding that there are overriding national security requirements which justify such action.

On December 12, 1969, the Senate adopted, without opposition, the following resolution to express its concern over the failure of the Greek government to restore constitutional government: "Resolved, That it is the sense of the Senate that the United States Government exert all possible effort to influence a speedy return to a constitutional government in Greece." (S. Res. 298) In the two years since that resolution was passed the Greek government has made no progress toward that objective. The Committee recognizes that the cutting off of aid to Greece may not serve to expedite a return to democratic government in Greece but it will make it clear to the Greek people that the Congress of the United States supports the restoration of their freedoms.

The Committee recognizes the role that Greece plays in the defense of the southeastern flank of the North Atlantic Treaty Organization area. However, the Committee calls attention to the fact that the signatories to the NATO Treaty pledged in the treaty preamble, "to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law." The Committee is of the opinion that the policies and practices of the military regime in Greece do not live up to those political standards. This view is shared by delegates to the recent meeting of the North Atlantic Assembly in Ottawa, Canada who adopted the following resolution by a vote of 46 to 8:

NORTH ATLANTIC ASSEMBLY

RESOLUTION ON GREECE PRESENTED BY THE
POLITICAL COMMITTEE

The Assembly,

Recalling that in the past international organizations, including the European Communities and the Council of Europe, have expressed unequivocally the view that human rights and political freedoms in Greece have been drastically restricted;

Noting that the House of Representatives of the United States Congress has called for the right to suspend arms deliveries to Greece;

Considering that, in the NATO context, the continuing political efforts of the democratic representatives from the other member states of the Alliance have not been able to convince the Greek Government of the urgency and gravity of the situation;

Recognizing that Greece's membership of the North Atlantic Alliance gives Greece not only rights but also responsibilities, one of the most important being to end the political injustice which characterizes Greece's internal situation;

Affirming that for parliamentarians of the countries of the Atlantic Alliance, Greece not only represents a problem with respect to the moral credibility of our Alliance but also poses a question concerning the political posture of NATO;

Expresses its renewed condemnation of any repression of democratic freedoms in Greece as dangerous to the internal cohesion of the North Atlantic Alliance bearing in mind the text of the Preamble to and Article 2 of the North Atlantic Treaty;

Urges the Government in Athens to undertake immediately, serious steps leading to the restoration of democratic freedoms;

Urges the other Governments and Parliaments of the North Atlantic Alliance use their political influence upon the Government in Athens to realize this goal.

APPROVED BY THE FULL ASSEMBLY,
September 27, 1971.

As the Committee stated in 1969, in recommending the prohibition of additional aid to Greece, "The United States should not supply military aid to governments whose actions are anathema to our own principles." It stands by that position.

According to figures made available by the Department of Defense, the United States in fiscal year 1971 programmed \$35,333,000 grant military assistance to Greece under the provisions of the Foreign Assistance Act and planned to sell \$55,000,000 worth of defense articles and services to Greece under the provisions of the Foreign Military Sales Act—a total of \$90,333,000. If the President found sufficient justification to use the waiver authorized, any future military assistance furnished or sales made to Greece could not exceed \$90,333,000. The Executive Branch had programmed a total of \$117,875,000 in military aid for Greece in FY 1972; \$57,875,000 in grant aid and \$60,000,000 in credit sales.

SUSPENSION OF ASSISTANCE TO PAKISTAN

The new subsection 620(x) suspends all military, economic, and other assistance to the Government of Pakistan, including sales of military equipment and sales of agricultural commodities. The adoption of this provision demonstrates the Committee's deep concern over the repressive actions taken by the Government of Pakistan against the people of East Pakistan. It is the Committee's view that, in the current savage civil war between the western and eastern wings of Pakistan, the United States should be benevolently neutral, giving aid to neither side.

This suspension does not apply to the provision of food and other humanitarian assistance when such assistance is coordinated, distributed, or monitored under international auspices. The Committee, in authorizing \$250,000,000 for refugee relief, adopted language designed to stress the role of the international agencies and U.S. voluntary agencies in the relief effort. That language states that relief assistance "... shall be distributed to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies."

The Committee expects that "humanitarian relief" will be construed with a rule of reason with relieving human suffering as the objective. But under no circumstances is the language to be used to justify resumption of normal foreign aid activities under the guise of "humanitarian relief." Neither should articles, such as trucks or boats, provided for relief purposes be allowed to be diverted for military purposes.

The prohibition approved by the Committee is considerably more strict than that contained in the bill as passed by the House of Representatives. It prohibits providing military services as well as articles, guaranty of credit sales of military items as well as direct credit, and it suspends all outstanding licenses relating to export of military materials to Pakistan.

Under this provision no new loan agreements can be made, and disbursements under existing loan agreements can be made only pur-

suant to outstanding irrevocable letters of credit. Technical assistance contracts shall be terminated according to the termination provisions of the contracts. Title I sales programs under P.L. 480 shall be terminated, to the extent legally possible, except for those providing for famine or disaster relief directly for the people of East Pakistan. Other humanitarian relief under P.L. 480, Title II, could also be continued. It is expected that the A.I.D. mission staff would be withdrawn except for the personnel absolutely essential to winding up A.I.D. programs in an orderly fashion. The term "other assistance" is intended to prohibit any official U.S. action to suspend or postpone repayment of debts, including interest, owned by Pakistan to the United States, operation of Peace Corps programs, the making of Export-Import Bank loans, operation of programs by the Overseas Private Investment Corporation, as well as any other indirect aid to that government. The provision is not intended to affect funds made available for U.S. contributions to the Indus Basin Project.

Assistance and sales could be resumed after the President reports to Congress that the "Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent possible, to return to their homes and to reclaim their lands and properties."

Section 302.—Administrative Expenses.—This section amends section 637(a) of the Act to authorize the appropriation of \$51,800,000 for each of the fiscal years 1972 and 1973 for administrative expenses of the Agency for International Development. This is a \$5,800,000 reduction from the Administration request of \$57,600,000, which was the amount approved by the House of Representatives.

The amount recommended by the Committee is approximately the same as appropriations for administrative expenses for FY 1970 and FY 1971, \$51,125,000 each year.

The Committee's decision to reduce A.I.D. administrative expenses is in keeping with the concern it expressed in its report on the Foreign Assistance Act of 1969:

The Committee is concerned about overstaffing in AID and believes that AID should assume a much lower posture abroad and at home. The committee believes that the massive AID presence in so many countries is not in the best interests of American foreign policy or an effective foreign aid program. Although this reduction applies only to administrative personnel, the Committee expects that appropriate steps will be taken to reduce the size of the personnel rolls financed out of program funds.

The Committee is not satisfied with the little progress that has been made in reducing A.I.D. personnel rolls, either here or abroad, and expects to see a much more aggressive effort in this direction in coming months.

Section 303.—Miscellaneous Provisions.—Section 303 amends section 652 of the Act and adds new sections 653, 654, 655, and 656.

REVISED SECTION 652—LIMITATIONS UPON EXERCISE OF SPECIAL AUTORITIES

Sections 610(a) and 614(a) of the Foreign Assistance Act comprise the President's primary authority to transfer funds from one program to another and to waive restrictions imposed by the Act. Under the authority of these two sections Cambodia was allotted \$110 million in foreign aid last year without specific authorization by Congress. Section 506(a) authorizes the President to draw on Department of Defense stocks with subsequent reimbursement to be made out of appropriations for military assistance.

During fiscal year 1971 and thus far in fiscal year 1972, sections 610(a) or 614(a) served as a basis, in part or in whole, for 17 Presidential waivers. In none of these cases (or in any of the others in which the President relied on addition waiver authority) was the Congress notified before the President acted. In fact, in many of these cases the President waited a month before notifying the Congress of any action at all.

Some of these actions, such as those concerning Cambodia, involved transfers of millions of dollars and raised a number of critical foreign policy issues.

This amendment simply requires that, before the President exercises the authority in sections 506(a), 610(a) or 614(a), he must give ten days prior notice in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

NEW SECTION 653—CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE

Under existing provisions of the Foreign Assistance Act the President has unlimited authority to increase or decrease the amounts of foreign assistance actually given to foreign countries from the amount previously justified to Congress. He can shift amounts from country to country as he sees fit. Section 614(a) of the Act also gives the President general authority to waive restrictions in the Act when he considers such action "important to the security of the United States." By using this waiver authority last year Cambodia was allocated a total of \$110 million in military aid by the President without a specific authorization by Congress through transfer of funds from other economic and military aid programs. Section 653 restricts the President's sweeping authority to change country amounts.

This provision would do the following:

- (a) Require the President to notify Congress at least 30 days after passage of the Foreign Aid Appropriations Act of how much aid he plans to allocate to each country for each category; and
- (b) Prohibit giving any country more than 10% more than the amount specified for each category unless the President determines that an additional amount is *vital* to national security and gives Congress at least ten days prior notice.

NEW SECTION 654—PRESIDENTIAL FINDINGS AND DETERMINATIONS

This new section would tighten several provisions in the Foreign Assistance Act relating to the President's waiver authority. It stems from certain Executive Branch actions over the last two years, primarily those relating to the furnishing of military aid to Cambodia without a specific Congressional authorization. It requires that:

(1) All Presidential determinations and findings which must be reported to Congress be put in writing and signed by the President before any action could be taken pursuant to the finding or determination.

Last year the Executive Branch gave Cambodia \$7.9 million in military aid and, *after the fact*, obtained a Presidential determination which was made retroactive in an effort to legalize what had already been done.

On April 10, 1971, the President made an *oral* determination to authorize giving \$3 million in military aid to Ceylon. The determination was not put in writing until June 7 and was not transmitted to Congress until June 25— $2\frac{1}{2}$ months after the decision was made;

(2) Presidential findings and determinations must be printed in the Federal Register unless publication would be detrimental to the national security.

Prior to the Committee's protests last year concerning the classification of the Presidential determinations on aid to Cambodia, all these decisions were furnished to the Committee on a classified basis; and

(3) Information could not be denied to Congress by Executive Branch officials pending a Presidential determination.

Last year the Committee staff was denied access in the field to information on military aid to Cambodia on the grounds that no information on the subject could be released prior to transmittal to Congress of a related Presidential determination.

These factors are basic to Congress's consideration of foreign aid and foreign military sales, which, in turn, are of fundamental importance in this country's foreign policy. If Congress is to fulfill its responsibilities in these areas, it must be fully informed before the fact—and not confronted with a *fait accompli* weeks after the President has acted.

This amendment is not intended to supersede any other requirement providing for prior notification of findings and determinations made by the President to the Congress or any of its Committees.

NEW SECTION 655—LIMITATION ON ASSISTANCE TO OR FOR CAMBODIA

The new section 655 of the act provides for limitations on assistance to Cambodia. Subsection (a) provides that no funds authorized to be appropriated by this or any other act may be obligated or expended in excess of \$250 million to carry out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

Subsection (b) states that in computing the \$250 million limitation the "value" of any goods, supplies, materials or equipment provided by gift, donation, loan, lease or otherwise must be included and that "value" means the fair market value and in no case less than one-third of acquisition cost.

Subsection (c) provides that no funds may be obligated or expended in, to, for or on behalf of Cambodia in any future fiscal year unless they are specifically authorized by law and that in no case shall funds in excess of the amounts specifically authorized by law for any fiscal year be obligated or expended.

Subsection (d) excludes from this \$250 million limitation the obligation or expenditure of funds to carry out air operations over Cambodia.

Subsection (e) requires that whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia the President shall furnish a written report to the Congress explaining the purpose for which such funds will be used.

Subsection (f) provides that the President shall submit to the Congress within 30 days after the end of each quarter of each fiscal year a written report showing the amount of funds expended during the preceding quarter in, for, or on behalf of Cambodia and the purposes for which such funds were expended.

Subsection (g) states that enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense.

The purpose of section 655 is to establish a ceiling on overall U.S. expenditures, exclusive of air combat operations, in, for, or on behalf of Cambodia during the current fiscal year and to put the Congress in position to know in the future, when money is being requested for Cambodia, how much is actually being spent and for what purposes. In the past, the cost of United States Government operations in some countries has far exceeded the amounts which have been requested and then authorized and appropriated. It is the Committee's intention to see that this escalation of costs, not only unauthorized by the Congress but also unknown to it, does not occur in Cambodia. Section 655 is intended, therefore, to return to the Congress some measure of control over what is actually spent by setting an absolute ceiling on expenditures, a ceiling which applies to all Executive Branch departments and agencies.

The ceiling of \$250 million set by the Committee represents a total reduction of the \$93 million in the amounts, tentatively programmed by the Executive Branch. In part, this action reflects the Committee's general view that the state of the nation's economy requires substantial overall reductions in spending of foreign assistance. In addition, the Committee was aware that the Executive Branch already had under consideration a proposal to reduce the size of the economic assistance program in Cambodia by as much as \$50 million. Furthermore, it was felt by many members of the Committee that a reduction in the funds available for United States operations in Cambodia would serve to restrain what they perceive to be a tendency to duplicate in Cambodia an entire range of United States supported programs of the type which have resulted in ever deeper and seemingly endless involvement in other countries of Southeast Asia.

The amendment is also designed to close any loopholes still remaining regarding the transferability of funds of the Defense Department and other agencies and, in connection with the expenditure ceiling, to establish a method of setting a value on excess materials by requiring that they be at fair market value and in no case less than 33½ percent of acquisition cost.

By setting an absolute ceiling on expenditures in Cambodia, the Committee means to include all Executive Branch expenditures except those relating to combat air operations. The limitations would thus apply to the military assistance program, supporting assistance, excess defense articles, P. L. 480, CIA operations, the administrative costs of the various United States Government departments and agencies who engage in activities to, in, for or behalf of Cambodia and, as in the similar provision relating to Laos included in the Defense Authorization bill, H. R. 8687, the costs to the United States of South Vietnamese ground operations in Cambodia.

Section 655 specifically excepts all combat air operations over Cambodia from this ceiling. This exception covers all United States and South Vietnamese combat air operations as well as combat air operations by other countries which involve the expenditure of U.S. funds. This exception is included because of the view of some Committee members that monetary limitations on air operations in Cambodia might jeopardize the continuing withdrawal of U.S. forces from Vietnam.

**NEW SECTION 656—LIMITATIONS ON UNITED STATES PERSONNEL
AND PERSONNEL ASSISTED BY UNITED STATES IN CAMBODIA**

The new section 656 of the Act imposes a ceiling of 200 on the number of United States civilians and military personnel who can be present in Cambodia at any time. It also imposes a ceiling of 50 on the number of non-Cambodians working in Cambodia whose compensation can be paid in whole or in part, directly or indirectly, by the United States. U.S. military personnel involved in air operations originating outside of Cambodia will not be counted against the ceiling. This is intended to exempt personnel engaged in combat air operations from bases outside Cambodia as well as those engaged in periodic air cargo or similar missions into Cambodia from bases outside the country.

The purpose of this provision is to prevent the further growth of a large American presence in Cambodia which could drag our nation even more deeply into that difficult situation. When the Cambodian incursion began in April, 1970, the United States mission in Phnom Penh consisted of 12 people. Since the initiation by the Executive Branch of a vast military and economic aid program to that country the number of Americans in Cambodia in an official capacity has mounted steadily. By the time Secretary of State Rogers testified before the Committee on December 10, 1970, in support of the authorization of a total of \$285 million in aid to Cambodia for FY 1971, the American presence had quintupled. In replying to members who ex-

pressed concern that a large American mission would result from the proposed aid program, Secretary Rogers said:

Senator, as you know, we have already delivered hardware to Cambodia, and we have done it, I think, successfully without involvement of any large numbers of people. We have a very small mission in Phnompenh, 62. And we intend to keep our mission small. We think we can do it based on the experience we have already had.

In addition, of course, we have people in Saigon who are working on this problem. They can do it from Saigon, so there will be no necessity for them to go to Phnompenh. There are some people involved in the delivery process who are located in Saigon, and they will stay in Saigon.

There are now 56 U.S. civilian employees and 87 U.S. military personnel in Cambodia, a total of 143. The Committee was advised that, in addition, some 25 to 35 persons are there at any given time in a temporary duty status. There have been recent news reports that the Defense Department plans to expand the size of the military mission considerably during the next year. The slim U.S. operation that was promised has already grown much too fat.

The Committee does not approve of the vast escalation that has already taken place in American involvement in Cambodia. The situation seems to be developing in precisely the way most members of the Committee feared at the beginning of the U.S. involvement. The end of the escalation in men and money is not in sight, unless Congress imposes strict limits on both. In placing the personnel ceiling at 200 the Committee does not intend, in any way, to imply that it would look with favor on *any* increase in the number of U.S. personnel now in Cambodia. Indeed, the Committee hopes that there will be a rollback in the current level.

Administration spokesmen have said in justification of the increase in military personnel that they are needed to carry out provisions in the Foreign Assistance Act relative to "end use." The statute requires "observation and review" of how the material furnished is being used only to the extent "as the President may require." Under the statute the President may waive "end use" review entirely and, in fact, this has been done in other countries in the past. The Committee is not saying that there should not be any surveillance at all of how the military aid we give to Cambodia is used. But reliance by the Executive Branch on the "end use" requirement to justify the buildup of a huge military aid mission in Cambodia is a weak reed at best and goes directly contrary to the spirit of the Cooper-Church amendment.

There are recurring news reports that the Executive Branch will attempt to get around the prohibition of the Cooper-Church amendment against providing United States advisers to Cambodian forces by bringing in and paying for the services of advisers or technicians from other countries. The Committee opposes any such plan and in order to prevent an end run around the restriction, through the use of foreigners, has put a limit of 50 on the number of third country nationals in Cambodia who can be paid out of U.S. funds.

SECTION 305—ANNUAL FOREIGN ASSISTANCE REPORTS

This section would add a new section 657 to the Act to require that not later than December 31 of each year the President transmit to Congress a detailed report on all programs and categories of foreign assistance (as defined by the section) in terms of volume and cost provided during the previous fiscal year by the United States to all foreign aid recipients, both individually and collectively. In addition, the report is to include information on the volume and value of arms sales made to foreign countries and international organizations by U.S. private industry.

The purpose of this amendment is to bring together in a single report all of the data that is necessary to give Congress and the American public a full and complete overview of the entire U.S. foreign assistance effort, whether it involves a direct transfer of resources and services such as provided by bilateral lending or contributions to international organizations, or an indirect transfer, such as through our adherence to international commodity agreements or support for debt rescheduling arrangements.

During Congress' consideration of the Foreign Assistance Act and Foreign Military Sales Act legislation, it has become increasingly evident that the totality of the U.S. foreign aid effort is "unknown." This is due in large part to the fact that our aid programs involve any number of Executive Branch agencies and departments, ranging from the Agency for International Development, to the Department of Defense, to the Central Intelligence Agency. Just as there is no single department or agency responsible for the entire foreign assistance program, there is no single Congressional Committee that has legislative oversight responsibility for this program in its entirety. At a minimum, however, the Congress should have a complete report providing details on all of these programs and their cost to the taxpayer. Without this information it is virtually impossible to render a considered judgment on either the relative merits of each individual program or on the program as a whole.

SECTION 306—LIMITATION ON USE OF FUNDS

This section focuses attention on domestic vs. foreign needs. It calls upon the President to release no later than December 31, 1971 all of the funds that were appropriated for domestic programs but later impounded during FY 1971. If the President does not release these funds by the December 31 deadline, then he is prohibited after that date from obligating or expending any funds appropriated pursuant to this bill. The prohibition would continue to apply until the impounded funds were released and the Comptroller General so certified to the Congress.

The provisions of this section shall not apply to funds being withheld in accordance with specific legal requirements.

The latest information that the Committee was able to collect on the impounded funds issue indicates that the total amount of these funds is about \$12 billion. Of this total, more than \$10 billion for domestic programs was still impounded as of May 14, 1971, with the Office of

Management and Budget estimating that perhaps half the amount would be released by June 30, 1972. In terms of the precise amounts now impounded, the Committee will rely on the determinations made by the General Accounting Office.

The objective of this amendment is to give the American public some indication that the Committee is just as aware of our domestic needs as it is of the needs of other countries. The provisions of the section say to the taxpayers of this country, "You will be assured of getting the funds appropriated by Congress for domestic programs and projects before additional foreign aid funds can be obligated for similar programs and projects in Rio de Janeiro, Nairobi or New Delhi."

In addition to focusing attention on domestic vs. foreign needs in the context of the whole national priorities debate, this section of the bill also addresses the separation of powers issue and the Constitutional responsibilities of the Legislative and Executive Branches of our Government.

If the President is left free to impound funds appropriated by the Congress, this could result in an even greater unbalance between the two Branches than has developed in the field of foreign affairs. If the Congress's power of the purse is infringed or restricted in any way—such as through the impoundment of appropriated funds—Members of Congress might as well pack their bags and go home. This is the only real power the Congress has left and it must be guarded and protected, and kept whole and intact. The Committee believes that the requirements of this section are consistent with this goal.

PART IV—MISCELLANEOUS PROVISIONS

Section 401—Foreign Military Sales

This section amends the Foreign Military Sales Act of 1968, which authorizes credit sales of military equipment and services to foreign countries. Annual authorization by Congress is required for both appropriations and a ceiling on the amount of credit that may be provided. Most of the countries which purchase arms under this program are less developed. Credit sales of military hardware to the majority of the developed countries are financed either through the Export-Import Bank or regular commercial channels.

Subsection (1) amends section 31(a) of the act to authorize an appropriation of \$459,000,000 for fiscal year 1972. This represents a ten percent reduction from the Administration's request of \$510,000,000. The House approved the full request. The Committee believes that, through the use of the guaranty authority, the amount authorized will be more than sufficient to finance the sales program authorized by the ceiling set by subsection (2).

Subsection (2) establishes an aggregate credit ceiling of \$523,800,000 for fiscal year 1972. The Executive Branch requested a credit ceiling of \$582 million, which the House approved.

The following tables provide data on authorization and credit ceilings, historical data, estimates for all U.S. military export sales, and the proposed credit sales program, by region and country, for fiscal year 1972.

AUTHORIZATION AND CREDIT CEILING DATA

[In millions]

	Fiscal year 1972				
	Fiscal year 1970	Fiscal year 1971	Executive request	House bill	Committee recommendation
Authorization of appropriations	¹ \$70 (¹)	² \$250 340	\$510 582	\$510 582	\$459.0 523.8
Credit ceiling.....					

¹ Provided under continuing resolution authority.² Does not include special authorization for Israel contained in the Defense Authorization Act.

FOREIGN MILITARY SALES BY REGION WITH TOTAL DISTRIBUTED BETWEEN DEVELOPED AND LESS DEVELOPED COUNTRIES, FISCAL YEARS 1966-72

[In millions of dollars]

Region by type of order	1966	1967	1968	1969	1970	Estimated		
						Total, 1966-70	1971	1972
East Asia and Pacific:								
Cash.....	162.3	113.3	96.9	132.3	132.8	637.5	192.5	170.0
Credit.....	12.1	21.6	67.4	26.0	40.0	167.1	66.0	75.0
DDD direct.....	(11.2)	(8.1)	(26.0)	(20.0)	(40.0)	(105.3)		
DDD guaranty.....	(.9)	(13.5)	(41.4)	(6.0)		(61.8)		
Total.....	174.3	134.9	164.3	158.3	172.8	804.6	258.5	245.0
Near East and South Asia:								
Cash.....	87.6	95.7	185.3	383.5	216.2	968.3	410.9	290.6
Credit.....	267.7	258.4	160.3	223.3	30.0	939.7	620.0	420.0
DOD direct.....	(61.8)	(42.0)	(50.1)	(174.0)	(30.0)	(357.9)		
DDD guaranty.....	(205.9)	(216.4)	(110.2)	(49.3)		(581.8)		
Total.....	355.3	354.1	345.6	606.7	246.2	1,908.0	1,030.9	710.6
Europe and Central Europe (cash):								
1,180.7	524.8	521.8	863.2	472.4	3,562.8	499.9	1,028.5	
Africa:								
Cash.....	1.9	22.3	3.3	11.8	6.6	45.9	21.2	.5
Credit.....	.2	15.5		9.5		25.2		17.0
DOD direct.....	(.2)	(14.0)		(9.5)		(23.7)		
DOD guaranty.....		(1.5)				(1.5)		
Total.....	2.1	37.8	3.3	21.3	6.6	71.1	21.2	17.5
Latin America:								
Cash.....	9.9	15.4	12.4	13.4	16.3	67.4	18.0	74.0
Credit.....	37.3	27.7	35.6	22.4		123.0	54.0	70.0
DOD direct.....	(7.5)	(12.0)	(12.3)	(22.4)		(54.2)		
DDD guaranty.....	(29.8)	(15.7)	(23.3)			(68.8)		
Total.....	47.2	43.1	48.0	35.8	16.3	190.4	72.0	144.0
International organizations:								
Cash.....	25.2	33.6	29.9	34.4	19.0	142.1		
Credit (direct).....								
Total.....	25.2	33.6	30.0	34.4	19.0	142.2		15.0
Contingency (credit):								
Total.....	1,784.9	1,128.3	1,113.1	1,719.7	933.2	6,679.2	1,897.5	2,145.6
Worldwide:								
Cash.....	1,467.7	805.1	849.7	1,438.5	863.2	5,424.2	1,142.5	1,563.6
Credit.....	317.2	323.2	263.4	281.2	70.0	1,255.0	755.0	582.0
DDD direct.....	(80.6)	(76.1)	(88.5)	(225.9)	(70.0)	(541.1)	(681.0)	(486.0)
DDD guaranty.....	(236.6)	(247.1)	(174.9)	(55.3)		(713.9)	(74.0)	(96.0)
Total.....	1,784.9	1,128.3	1,113.1	1,719.7	933.2	6,679.2	1,897.5	2,145.6
Developed countries:								
FMS cash.....	1,556.0	966.3	784.2	1,170.4	687.6	5,164.5	834.4	1,374.0
FMS credit.....	1,388.3	719.9	654.2	1,066.2	687.6	4,516.2	804.4	1,344.0
DDD direct.....	167.7	246.4	130.0	104.2		648.3	30.0	30.0
DDD guaranty.....	(23.0)	(34.7)	(37.0)	(75.0)		(169.7)		
Total.....	203.7	128.4	298.9	514.9	226.6	1,372.5	1,048.1	771.6
Less developed countries¹:								
FMS cash.....	54.2	51.6	165.5	337.9	156.6	765.8	338.1	219.6
FMS credit.....	149.5	76.8	133.4	177.0	70.0	605.7	710.0	552.0
DDD direct.....	(57.6)	(41.4)	(51.5)	(150.9)	(70.0)	(371.4)		
DDD guaranty.....	(91.9)	(35.4)	(81.9)	(26.1)		(235.3)		

¹ Economically developed countries are those so listed by Executive order for interest equalization tax purposes.

FOREIGN MILITARY CREDIT SALES—FISCAL YEAR 1971 AND PROPOSED FISCAL YEAR 1972
[In millions]

Region/country	Fiscal year 1971	Proposed fiscal year 1972
Near East and South Asia.....	\$620.0	\$420.0
Greece.....	45.0	60.0
India.....	500.0	5.0
Israel.....	30.0	(1)
Jordan.....	5.0	(1)
Lebanon.....	10.0	5.0
Pakistan.....	30.0	(1)
Saudi Arabia.....	350.0	
Regional ²		
East Asia and Pacific.....	66.0	75.0
Korea.....	15.0	15.0
Malaysia.....	5.5	7.5
Singapore.....	5.5	7.5
Taiwan.....	40.0	45.0
Latin America.....	54.0	70.0
Argentina.....	13.0	15.0
Brazil.....	15.0	20.0
Chile.....	1.0	5.0
Colombia.....		8.0
Guatemala.....	4.0	5.0
Uruguay.....	4.0	2.0
Venezuela.....	10.0	15.0
Regional.....	7.0	
Africa.....		17.0
Congo (K).....		2.0
Morocco.....		(1)
Regional ²		15.0
Grand total.....	755.0	582.0

¹ Classified data.² Includes countries for which data is classified.

**CEILING ON MILITARY SALES AND ASSISTANCE TO LATIN AMERICA
AND REPEAL OF THE PRESIDENT'S WAIVER AUTHORITY**

Subsection 401(3) amends section 33(a) of the Foreign Military Sales Act for the purpose of increasing from \$75 million to \$100 million the annual ceiling on military credit sales and grant aid (excluding training) to Latin America. Subsection 401(4) repeals the President's authority to waive this ceiling and the \$40 million ceiling applicable to Africa.

Subsection 33(c) of the Foreign Military Sales Act gives the President authority to waive the annual ceilings on military assistance, sales, and the value of ship loans to Latin America and Africa when he determines it to be "important to the security of the United States." On April 9 the President waived the FY 1971 ceiling for Latin America and on June 16 the 1971 ceiling for Africa. The Executive Branch requested legislative authority to increase the permanent ceiling to \$150 million for Latin America and \$60 million for Africa.

The United States should not encourage the nations of Latin America and Africa to spend their scarce resources on arms which they neither need nor can afford. The argument that they will buy elsewhere if we do not sell to them makes little sense if they should not have the planes and tanks in the first place. It amounts to an admission that the United States Government is going after the

Latin American and African arms market because it thinks American suppliers should have the business instead of foreign arms manufacturers. This is a return to the old "hard sales" policy which Congress rejected in 1967.

There is nothing in the ceiling restriction which prevents the countries affected from buying on the *commercial* market here, after the ceiling has been reached. The ceiling only affects government transactions. Let the purchasing country and the manufacturer of the arms arrange credit through private channels if credit is needed.

The removal of the waiver authority is one additional small step in taking away some of the vast discretionary power Congress has given the President on foreign aid matters. If the President wants to increase the ceilings for specific actions let him come to Congress and justify it.

Section 402—Restrictions on Excess Defense Articles

This section amends section 8(a) of the Foreign Military Sales Act Amendments of 1971 to (1) increase the ceiling on the value of excess articles that may be given to foreign countries without a charge against appropriations for military grant assistance, and (2) require that all excess defense articles provided to a country (except Vietnam, see below) or international organization on a grant basis by any U.S. Government agency or department (except the Agency for International Development, see below) be treated in a like manner to excess defense articles provided by the Department of Defense to foreign countries under the authority of Part II of the Foreign Assistance Act of 1961, as amended.

There have been reports to the effect that the CIA has provided and is providing surplus arms to foreign forces in Southeast Asia. If this is true, Congress' efforts to bring the distribution of surplus arms under control is being circumvented.

Hence, the objective of the provisions in subsections (1) and (3) is to ensure that any grants of excess defense articles by the Central Intelligence Agency, for example, be applied to the annual ceiling on surplus military equipment or, once the ceiling is reached, charged against the appropriation for military assistance. Only by making these limitations applicable to other Government agencies and departments, like the CIA, can Congress keep account of the distribution of these arms and hold the program within meaningful limits.

AID's use of excess military equipment is excluded from the provisions of this section because of its use of many of these items, such as vehicles or engineering equipment, for economic assistance programs. Moreover, the provisions of this section are not to apply to the distribution of surplus arms in Vietnam until July 1, 1972, when funding for military aid to that country will be resumed under the regular military assistance program authorized by the Foreign Assistance Act.

Subsection (2) increases from \$100 million to \$150 million the value of excess defense articles which may be ordered during any fiscal year before the value of the articles is considered military assistance to be charged against funds appropriated for this purpose under Part II of the act.

Raising this ceiling on the amount of excess property that can be used will permit greater use of the excess military equipment that is becoming available from Southeast Asia.

Section 403—Interparliamentary Union

Section 403 amends the 1953 Act, as amended, authorizing U.S. participation in the Interparliamentary Union. It increases the annual authorization of an appropriation from \$53,500 to \$102,000. Of this latter sum, \$57,000 is for the annual U.S. contribution toward the maintenance of the Bureau of the Interparliamentary Union and \$45,000 is for the purpose of defraying the expenses of the American group of members of Congress who participate. These increases arise from an increase in the U.S. assessment for its participation in the Interparliamentary Union, a more active role by the Union, from expanded U.S. participation in its deliberations, as well as from the re-evaluation of the Swiss franc, which is the currency unit used to settle its accounts.

Section 404—Inter-American Foundation: New Name

Paragraphs (1), (2), and (3) of section 404 amend part IV of Public Law 91-175, enacted December 30, 1969, by changing the name of the Inter-American Social Development Institute to that of the Inter-American Foundation.

This change was recommended by the executive branch.

Representation

Paragraph (4) amends section 401(e)(4) of Public Law 91-175 by authorizing the Foundation to determine how its expenses for representation shall be allowed and paid, and by limiting such expenses to not more than \$10,000 in any fiscal year.

Chief Executive Officer

Subparagraph (1)(1) amends section 401(e)(4) of Public Law 91-175 by changing the designation of the chief executive officer of the Foundation from that of "Executive Director" to "President."

Experts and Consultants

Subparagraph (1)(2) further amends section 401(1) of Public Law 91-175 to authorize the Foundation to employ experts and consultants in accordance with the authority contained in 5 U.S.C. 3109. Under the provisions of that section experts and consultants are limited to temporary or intermittent employment. Temporary employment is defined as not in excess of 1 year.

Section 405—Annual Authorizations for State Department and USIA

The purpose of this section is to require annual authorizations for appropriations for the Department of State and the United States Information Agency. Existing law now contains a permanent authorization for the activities of both.

A principal objective of the Legislative Reorganization Act of 1946, as amended, is to ensure more effective oversight and review by Congress of Executive Branch departments and agencies. Section 136 of the Act states that ". . . each Standing Committee of the Senate shall review and study, on a continuing basis, the application, administration, and execution of those laws, or parts of laws, the subject matter of which is within the jurisdiction of that Committee." This section further requires that after January 1, 1973 each Standing Committee must report biennially to the Senate on its legislative review activities.

The Committee of Foreign Relations has legislative jurisdiction over the operations of both the Department of State and the United States Information Agency. Thus, requiring annual authorization for both will enable the Committee to carry out its oversight functions more effectively. It would also make both State and the USIA more responsive to the Committee and Congress. Much improvement is needed in this respect. For example, the bill which is the original basis for this amendment, S. 1894, was forwarded on May 25 to the Department of State for comment. The Department replied on September 29—some six months later, and only after the press carried reports that the Committee had tentatively adopted the proposal as an amendment to the foreign aid bill. Similarly, the Committee did not receive Executive Branch comments on the House-passed version of this bill (H.R. 9910) until September 30—even though the House passed the bill before the August recess. These examples are but the tip of a vast iceberg evidencing Departmental indifference to Congressional responsibilities.

The Committee has not had similar difficulties with the Peace Corps and the Arms Control and Disarmament Agency for which the Committee considers regular authorization bills. If this degree of oversight is maintained with respect to these two relatively minor agencies, whose combined annual authorizations are less than \$100 million, then similar legislative surveillance should be maintained over the State Department and USIA, whose current annual budgets total almost \$700 million.

The section also provides that all departments and agencies with operations abroad furnish, upon request, information concerning their activities to the Committee on Foreign Relations or the House Committee on Foreign Affairs.

Sec. 406—Withdrawal of U.S. Forces from Indochina

Section 302, hereafter referred to as the Cooper-Church amendment, is designed to bring an end to American involvement in hostilities in Indochina, to secure the release of U.S. prisoners of war, and to bring about a political settlement of the war by requiring that any funds made available for U.S. military forces in Indochina be used only for the purpose of withdrawing those forces and providing them with protection against imminent danger during the withdrawal process.

Subsection (a) contains a sense of Congress statement relative to United States participation in the hostilities in Indochina. It states that the repeal of the Gulf of Tonkin Resolution (P.L. 88-408) has left the Government of the United States without Congressional authority for continued participation in the war and that the United States should proceed expeditiously to withdraw all members of our armed forces from Indochina. It, thus, states the principle that the President does not have authority to use our armed forces in a war without the approval of Congress and that, in the present situation, the only authority the President has is to protect our forces against imminent danger while they are being withdrawn.

Subsection (b) provides that funds authorized for use by U.S. forces in Indochina shall be used only for the purpose of withdrawing our forces and cannot be used to engage them in hostilities in North or

South Vietnam, Cambodia, or Laos, except as necessary to protect them against "imminent danger," as they are being withdrawn.

Since massive United States involvement in the Indochina war began in 1965 the Committee on Foreign Relations has directed most of its attention and efforts as the war has progressed to, at first, preventing expansion of our involvement, then to bringing about negotiations to end the war, and finally, with the failure of the negotiations thus far, to bring about a more rapid termination of our military involvement. Many members of the Committee have always questioned the existence of any binding treaty commitment to send troops to assist South Vietnam. And most members believe that if there was ever such a thing as a "moral" commitment to fight a war in South Vietnam's behalf, that commitment has long since been fulfilled. The provision recommended here, approved by a vote of 11 to 5, is a logical culmination of the Committee's principal policy efforts over the last several years. It is also a logical extension of the Committee's efforts in recent years to restore the proper Constitutional balance between Congress and the Executive Branch in matters of war and peace.

This provision is a further step in the Senate's effort to reassert its proper role in the making of foreign policy. On February 4, 1969, by a vote of 70 to 16, the Senate passed a resolution, initiated by the Committee, to define what constitutes a national commitment. Hopefully, the Senate's action will prevent a repeat of the disastrous process of entering almost imperceptibly into a "commitment" which led our nation into war in Southeast Asia. As a second step to restore Congress' voice in policy in Southeast Asia, in December 1969 the Defense Appropriation Bill was amended in the Senate to prohibit the sending of American ground forces into Laos or Thailand. Following the Cambodian incursion, the Senate, after seven weeks of debate, approved an amendment to the Foreign Military Sales Bill, offered by Senators Cooper, Church, Aiken and Mansfield which prohibited:

- "(1) retaining United States forces in Cambodia;
- "(2) paying the compensation or allowances of, or otherwise supporting, directly or indirectly, any United States personnel in Cambodia who furnish military instruction to Cambodian forces or engage in any combat activity in support of Cambodian forces;
- "(3) entering into or carrying out any contract or agreement to provide military instruction in Cambodia, or to provide persons to engage in any combat activity in support of Cambodian forces; or
- "(4) conducting any combat activity in the air above Cambodia in direct support of Cambodian forces."

The modified version of that provision, which prohibited the sending of ground troops or advisors to Cambodia, finally became law on January 5, 1971.

Twice this year the Senate has gone on record in favor of withdrawing all United States forces from Indochina by a date certain. The Senate approved the Mansfield amendment to the draft bill by a vote of 57 to 42 on June 22, and the Mansfield amendment to the Defense Authorization Bill on September 30 by a vote of 57 to 38. The Committee views the Cooper-Church and the Mansfield amendments as complementary. The Cooper-Church provision states, in effect, that

military funds can be used in Indochina only for the purpose of withdrawal and the Mansfield amendment states that the withdrawal should be completed in not more than six months from the date of enactment, contingent upon the release of all American prisoners of war.

The Cooper-Church amendment, as approved by the Committee, and recommended to the Senate, when enacted, will ensure that United States participation in hostile actions shall end, except for actions absolutely essential to protect our forces from attack as they are being withdrawn. No military operation—land, sea, or air—could be financed that is not directly connected with the expeditious withdrawal of all U.S. forces. The Committee has not attempted to define "imminent danger" since it is impossible to spell out all of the many unforeseen situations that may develop as our forces are withdrawn. But it is not the Committee's intent that it could be stretched to justify, for example, U.S. participation in any more large-scale offensive operations such as those that took place in Cambodia and Laos.

It is intended by the amendment that all United States armed forces be withdrawn from Indochina, including all air personnel. The provision does not require withdrawal of U.S. forces in Thailand but it prohibits those forces from engaging in any further combat activities in North and South Vietnam, Cambodia, or Laos except as absolutely necessary to protect our forces in any of those countries from imminent danger as they are being withdrawn. Naval forces operating in Indochina waters would be prohibited from participating in any combat or combat-related activities unless necessary, also, for protection of the withdrawing forces. It would not prohibit, in any way, continuation of other forms of military aid to South Vietnam, Laos, or Cambodia.

As of October 9, 1971, the war in Indochina has cost our nation 55,385 dead, 301,936 wounded, and incalculable sums of tax dollars. But the costs of the war cannot be measured in blood and money alone. They represent only the tip of a vast iceberg. There is no way to calculate in mathematical terms the damage to our society, our democratic institutions, our sense of values as human beings, or the tragic consequences for the people of Indochina whose land has been the cockpit for a war that has lasted over a quarter century.

Perhaps the war will continue indefinitely after United States forces leave. No one can foresee the final military or political outcome in the area. But the Committee is convinced that the continued presence of our forces works to prevent the operation of natural political factors that might result in a settlement between the parties and assures the continued imprisonment of captured Americans. The Committee believes that the best way to get American prisoners home, other than through a negotiated settlement, and indeed the best way to obtain a negotiated settlement, is to bring all of our troops, airmen, and sailors home. That is the objective of this provision.

Sec. 407—Termination of U.S. military operations in Indochina

Section 407, the Mansfield amendment, would declare it to be the national policy that the United States should terminate military operations in Indochina at the earliest practicable date, and that all U.S. forces be withdrawn not later than six months after date of enactment, subject to the release of all American prisoners of war held by

the enemy. Under its terms, Congress would urge the President to take the following actions:

- (1) Establish a final date for withdrawal of all U.S. forces from Indochina, contingent upon the release of all prisoners of war, the date to be not later than six months after date of enactment;
- (2) Negotiate with North Vietnam for an immediate cease-fire by all parties; and
- (3) Negotiate with North Vietnam for an agreement providing for the phased withdrawal of U.S. forces coupled with the phased release of prisoners of war with the remaining prisoners to be released concurrently with the withdrawal of the last U.S. forces.

The substance of this provision has been approved by the Senate twice this year. First, on June 22, 1971, as an amendment to the Draft Extension Bill, by a vote of 61 to 38. The amendment to the draft bill provided for a nine-month deadline for withdrawal, instead of six months as contained in this provision. The second approval came on September 30, 1971, when an amendment to the Defense Authorization Bill, identical to the provision recommended by the Committee, was adopted by a vote of 57 to 38. The Mansfield amendment was approved by the Foreign Relations Committee by a vote of 12 to 4.

There is no doubt that the Senate as a body wants the Nation to disengage itself from the tragic morass of Southeast Asia. What the war is doing morally and physically to the youth that serve on the battlefields is well documented. What it is doing to our resources is clear beyond question. And, perhaps most important, every thoughtful American senses what it has done, and is doing, to the moral fibre of our Nation.

The Senate has a responsibility for helping to determine and set the policy of this government on the broad issues of national importance. Congress is a co-equal of the Executive Branch and it is unfair as well as unwise for Congress to look to the President to assume the full burden of these decisions.

Last session the Senate initiated the repeal of the Gulf of Tonkin Resolution. That Resolution had been cited by the previous Administration as the functional equivalent of a Congressional declaration of war and a justification and endorsement of a policy of escalation in Vietnam. Many members of the Committee have objected to the broad interpretation put on that resolution. Whatever it was—functional or otherwise—it has been repealed. But with its demise has gone the only expressed government policy—openly participated in by the Congress—with respect to U.S. involvement in Indochina. There is no longer a joint policy.

The Mansfield and the Cooper-Church amendments fill that void; together they declare a clear national policy for Indochina.

The Mansfield amendment states a government policy to terminate military operations in Indochina at the earliest practicable date; to provide for the withdrawal of all our forces within six months from the date of enactment, provided a release of all prisoners is accomplished within that timeframe, and it urges the President to proclaim a date within this timeframe to accomplish those ends. The Cooper-

Church amendment ensures that funds for military purposes in Indochina can be used only to effectuate the withdrawal of our forces and to protect them from "imminent danger" while in the process of withdrawing. The Mansfield amendment sets the timeframe for withdrawal and the Cooper-Church amendment restricts spending to accomplish that objective.

There is much evidence that the overwhelming sentiment of the American people is for total withdrawal as soon as possible. The selection of a date for withdrawal, coupled with the restriction on use of funds only for that purpose, should end the stalemate, effect the return of our fighting men, the return of our prisoners and hopefully set the stage for the rebuilding process that is needed for the future of American hope and confidence.

Section 408—Limitations on United States Activities in Cambodia

This section amends section 7(a) of the Special Foreign Assistance Act 1971 to prohibit the expenditure of public funds for U.S. advisers "to or for military, paramilitary, police, or other security or intelligence forces in Cambodia."

The purpose of this amendment is to expand the scope of the existing prohibition of the Cooper-Church amendment against providing U.S. advisers to Cambodian military forces. It would also prohibit any U.S. government personnel from advising Cambodian paramilitary and police forces, as well as Cambodian security and intelligence units. The intent of this amendment is consistent with, and is a logical extension of, the existing prohibition designed to prevent direct U.S. involvement in the war in Cambodia. Our Vietnam experience teaches that the first fatal step toward direct involvement comes with the furnishing of U.S. advisers to the military and related forces of another country. This provision is another effort aimed at preventing this fatal step from being taken in Cambodia.

Section 409—Restriction Relating to Foreign Forces

Subsection 409(1) amends section 401(a) of Public Law 89-367, as amended, to prevent "any department, agency or independent establishment of the United States" from paying allowances to free world forces in Vietnam that are greater than similar allowances paid to members of the United States Armed Forces for service in Vietnam or "in any other hostile fire area . . ."

This provision expands the existing prohibition against paying foreign troops at higher levels than U.S. troops. At the present this prohibition applies only to funds appropriated for use by the Armed Forces of the United States. Hence, other appropriated funds, such as those available to the Central Intelligence Agency could be used to circumvent this prohibition. The amendment would close this loophole.

Subsection 409(2) requires that the conditions in Sec. 401(a)(2) of P.L. 89-367, as amended, governing the grant of defense articles to Vietnam, Thailand, or Laos out of Defense Department funds also apply to the grant of defense articles to those countries paid for out of funds of any other department or agency.

Section 410—Repeal of the Formosa resolution

This section repeals the joint resolution entitled "Joint Resolution Authorizing the President to Employ the Armed Forces of the United States for Protecting the Security of Formosa, the Pescadores and Related Possessions and Territories of That Area". This resolution, commonly referred to as the Formosa Resolution, was approved by Congress on January 29, 1955.

The repeal of this resolution would revoke the power of the President to employ unilaterally the Armed Forces of the United States to protect Taiwan and the Pescadores and, in connection therewith, the offshore islands referred to in the Formosa Resolution. It would not affect the validity of the Mutual Defense Treaty of 1954 between the United States and the Republic of China. Under that treaty, however, any action taken by the United States in the event of an armed attack directed against Taiwan or the Pescadores must be taken in accordance with its constitutional processes." Hence, use of U.S. Armed Forces in such a situation would require specific authorization by the Congress. The repeal of the Formosa Resolution would restore the constitutional balance of authority with regard to the use of Armed Forces in this area.

In addition, this repeal would clear away a legislative obstacle to a new China policy. The Formosa Resolution reflects a perception of China at variance with the view of that country and the situation in the Taiwan Strait which has prevailed for so many years. Removing this Resolution from the books would constitute a timely recognition of the changed conditions in this region.

Section 411—Use of Foreign Currencies

Section 411 amends Section 502(b) of the Mutual Security Act of 1954, as amended, which deals with expenditures of foreign currencies by Congressional committees. Under present law, Members and employees of committees are authorized to draw not to exceed the equivalent of \$50 per day (exclusive of transportation costs) in foreign currencies to meet their subsistence expenses in connection with official travel outside the United States. As a practical matter, in most instances, these currencies have been purchased by the Executive Branch of the Government with appropriated funds. It is only in those few countries where local currencies are in excess of the amounts needed to meet U.S. requirements that dollars are not used to purchase foreign currencies. The amendment approved by the Committee would have the effect of requiring expenditures made in connection with travel abroad to be financed directly out of appropriated funds, except in the so-called "excess" currency countries (i.e., where the supply of currencies is more than enough to cover U.S. needs).

In such countries the equivalent of not to exceed \$100 per day (exclusive of transportation costs) could be made available to each Member or employee to meet his subsistence expenses. The amendment also prohibits the use of excess currencies to pay the expenses or fees of witnesses appearing before Congressional committees in the United

States. This latter provision would result in Congressional committees paying witness fees out of their own funds at rates authorized by the Senate or the House of Representatives, as the case may be.

SUPPLEMENTAL VIEWS OF SENATOR SPONG

I voted against reporting the Foreign Assistance Act of 1971 favorably. I believe it should have been reported without recommendation. My vote against reporting the bill favorably was cast with reluctance, because while there are authorizations and approaches to which I object, there is much in the bill I support.

These supplemental views are, therefore, filed as a protest, a general protest against the entire approach to foreign aid and a specific protest against three aspects of the foreign aid authorization process which have presented particular problems this year. First, I am opposed to the consideration of security assistance, i.e., military assistance, foreign military sales and economic supporting assistance, in the same legislation in which economic and development assistance is considered. These two general categories of foreign spending have different goals and objectives and should be separated. Furthermore, almost two-thirds of the Administration's request in this legislation was for military and security assistance rather than for economic and development assistance, a factor which should be more fully evident but which is obscured when the two are considered together. Secondly, I am opposed to increased authorizations at a time when the United States must combat inflation and make new moves to re-secure the dollar and when there are so many pressing domestic needs. I am aware that the previous authorization bill was one of the lowest in the history of the foreign aid program and that argument can be made for increases, but I believe our economic situation dictates that we restrict government spending at this time. Thirdly, I am opposed to trying to draft foreign aid legislation on the basis of the limited information which has been available to the Committee. This problem has been documented in a report prepared by the General Accounting Office and issued on September 20, and it has received widespread press coverage during recent months. It should be obvious that it borders on the impossible to draft good legislation without the pertinent background material and that it is unreasonable to expect a Congressional committee to authorize expenditure of the American taxpayers' money without adequate information.

Consequently, I am hopeful that these supplemental views will contribute in some small way to achieving a new approach to foreign aid.

CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

I. FOREIGN ASSISTANCE ACT OF 1961

* * * * *

PART I

Chapter 2—DEVELOPMENT ASSISTANCE

TITLE I—DEVELOPMENT LOAN FUND

SEC. 202. Authorization.—(a) There is hereby authorized to be appropriated to the President for the purposes of this title [\$685,000,000 for the fiscal year 1967, \$450,000,000 for the fiscal year 1968, \$350,000,000 for the fiscal year 1969, \$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971] *\$320,000,000 for each of the fiscal years 1972 and 1973*, which sums shall remain available until expended: *Provided*, [That any unappropriated portion of the amount authorized to be appropriated for any such fiscal year may be appropriated in any subsequent fiscal year during the above period in addition to the amount otherwise authorized to be appropriated for such subsequent fiscal year: *Provided further*,] That in order to effectuate the purposes and provisions of sections 102, 201, 601, and 602 of this Act, not less than 50 per centum of the funds appropriated pursuant to this subsection [for each of the fiscal years ending June 30, 1970, and June 30, 1971] *for each of the fiscal years ending June 30, 1972, and June 30, 1973*, shall be available for loans made to encourage economic development through private enterprises.

SEC. 203. Fiscal Provisions.—Dollar receipts from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, are authorized to be made available for the fiscal year [1970 and for the fiscal year 1971] *1972 and for the fiscal year 1973* for use for the purpose of this title, for loans under title VI, and for the purposes of section 232. Such receipts and other funds made available under this section shall remain available until expended.

[SEC. 205. In order to serve the purposes of this title and the policy contained in section 619, 10 per centum of the funds made available for this title shall be available for transfer, on such terms and conditions as the President determines, to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, or the Asian Development Bank for use pursuant to the laws governing United States participation in such institutions, if any, and the governing statutes thereof and without regard to section 201 or any other requirements of this or any other Act.]

SEC. 209. Multilateral and Regional Programs.—(a) Multilateral Programs.—The Congress recognizes that planning and administra-

tion of development assistance by, or under the sponsorship of, multilateral lending institutions and other international organizations may, in some instances, contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.] (a) *The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance. It is the sense of Congress that an increasing proportion of United States assistance to the developing countries should be channeled through multilateral organizations and that the United States Government should undertake such measures as may be necessary to help increase the competency and capacity of such organizations.*

(b) [Regional Programs.—] It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

(c) *Notwithstanding any other provisions of law, the President shall reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of phasing out the bilateral loan program by not later than June 30, 1975.*

(d) *In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries. Any such transfer shall be made—*

- (1) *only if the institution or organization agrees that, in making loans out of funds so transferred, it will emphasize and take into account those matters emphasized and taken into account by the President under sections 201(b) and (f), 207, and 208 of this Act;*
- (2) *without regard to any other provision of this title; and*

(3) upon such other terms and conditions as the President may determine.

TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

* * * * *

SEC. 212. Authorization.—To carry out the purposes of section 211, there is authorized to be appropriated to the President [\$183,500,000 for the fiscal year 1970, and \$183,500,000 for the fiscal year 1971] \$208,270,000 for each of the fiscal years 1972 and 1973, which amounts are authorized to remain available until expended.

* * * * *

SEC. 214. American Schools and Hospitals Abroad.—

* * * * *

(c) There is hereby authorized to be appropriated to the President for the purposes of this section, [for the fiscal year 1970, \$25,900,000, and for the fiscal year 1971, \$12,900,000] for each of the fiscal years 1972 and 1973, \$30,000,000, which amounts are authorized to remain available until expended. Amounts appropriated under this subsection for the fiscal year 1970 shall be available solely in accordance with the allocations set forth on pages 25 and 26 of House Report No. 91-611 and on page 23 of Senate Report No. 91-603.

* * * * *

SEC. 220A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has been reached by the parties involved, which agreement provides for the use of the Canal by the ships of all nations, including Israel, on a non-discriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated not to exceed \$10,000,000 in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requirements of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended.

TITLE III—HOUSING GUARANTIES

SEC. 221. Worldwide Housing Guaranties.—In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, and promote the development of thrift and credit institutions engaged in programs of mobilizing local savings for financing the construction of self-liquidating housing projects and related community facilities, the President is authorized to issue guaranties, on such terms and conditions as he shall determine, to eligible investors as defined in section 238(c), assuring against loss

of loan investments for self-liquidating housing projects. The total face amount of guarantees issued hereunder, outstanding at any one time, shall not exceed [\$130,000,000] \$180,000,000. Such guarantees shall be issued under the conditions set forth in section 222(b) and section 223.

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SEC. 223. General Provisions.—

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(i) The authority of section 221 and section 222 shall continue until [June 30, 1972] June 30, 1974.

* * * * *

TITLE IIIA—INTERNATIONAL DRUG CONTROL
ASSISTANCE

SEC. 225. AUTHORITY.—(a) The President is authorized to furnish assistance to any foreign country, on such terms and conditions he determines necessary, in order to encourage and enable that country to control or eliminate the production, processing, or distribution of drugs within or across its boundaries.

(b) The President is authorized to furnish assistance to any international organization, such as the United Nations Special Fund for Drug Abuse Control, involved in efforts to control or eliminate the production, processing, or distribution of drugs.

(c) Of the funds provided to carry out the provisions of this Act, not less than \$25,000,000 shall be available each fiscal year only to carry out the provisions of this title.

(d) For purposes of this section, "drug" means any matter which is included within the definition of controlled substance under title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

TITLE IV—OVERSEAS PRIVATE INVESTMENT
CORPORATION

* * * * *

SEC. 238. Definitions.—As used in this title—

* * * * *

(c) the term "eligible investor" means: (1) United States citizens; (2) corporations, partnerships, or other associations including non-profit associations, created under the laws of the United States or any State or territory thereof and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, or other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations: *Provided, however,* That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, [re-

quired by law to be] held by other than the United States owners:
Provided further, That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as the time the insurance or guaranty is issued; and

* * * * *

SEC. 239. General Provisions and Powers.—

* * * * *

(g) Except for the provisions of this title, no other provision of this or any other Act shall be construed to prohibit the operation in a particular country of the programs authorized by this title, if the President determines that the operation of such program in a particular country is important to the national interest.

SEC. 240. Agricultural Credit and Self-Help Community Development Projects.—

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(h) The authority of this section shall continue until [June 30, 1972] June 30, 1973.

* * * * *

TITLE VI—ALLIANCE FOR PROGRESS

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SEC. 252. Authorization.—(a) There is authorized to be appropriated to the President for the purposes of this title, in addition to other funds available for such purposes, [for the fiscal year 1970, \$428,250,000, and for the fiscal year 1971, \$428,250,000] for each of the fiscal years 1972 and 1973, \$309,400,000 which amounts are authorized to remain available until expended, and which amounts, except for not to exceed [\$90,750,000] \$109,650,000 for each such fiscal year, shall be available only for loans as to principal and interest in United States dollars. In order to effectuate the purposes and provisions of sections 102, 251, 601, and 602 of this Act, not less than 50 per centum of the loan funds appropriated pursuant to this section for any fiscal year shall be available for loans made to encourage economic development through private enterprise.

* * * * *

TITLE X—PROGRAMS RELATING TO POPULATION GROWTH

* * * * *

SEC. 292. Authorization.—[Of the funds provided to carry out the provisions of part I of this Act for the fiscal year 1970, \$75,000,000, and for the fiscal year 1971 \$100,000,000, shall be available only to carry

out the purposes of this title and, notwithstanding any other provision of this Act, funds used for such purposes may be used on a loan or grant basis.] To carry out the purposes of this title, there is authorized to be appropriated to the President \$125,000,000 for each of the fiscal years 1972 and 1973, which amounts are authorized to remain available until expended. Other funds provided to carry out the provisions of this part I shall also be available to carry out the purposes of this title and, notwithstanding any other provisions of this Act, funds used for such purposes may be used on a loan or grant basis. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act.

* * * * *

CHAPTER 3—INTERNATIONAL ORGANIZATION AND PROGRAMS

* * * * *

SEC. 302. Authorization.—(a) There is authorized to be appropriated to the President for grants to carry out the purpose of this chapter, in addition to funds available under any other Act for such purposes, [for the fiscal year 1970, \$122,620,000, and for the fiscal year 1971, \$122,620,000] for each of the fiscal years 1972 and 1973, \$139,000,000.

(b) (1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes for use beginning in the fiscal year 1969, \$51,220,000. Such amounts are authorized to remain available until expended.

(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in [the fiscal year 1970, \$7,530,000, and for use in the fiscal year 1971, \$7,530,000] each of the fiscal years 1972 and 1973, \$15,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provision of this Act.

(c) None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of development or operating any volunteer program of such organization, government, or agency relating to the selection, training, and programming of volunteer manpower.

(d) There is authorized to be appropriated to the President, for the fiscal year 1969, \$1,000,000 for contributions to the United Nations Children's Fund during the calendar year 1969. Funds made available under this section shall be in addition to funds available under this section shall be in addition to funds available under this or

any other Act for such contributions and shall not be taken into account in computing the aggregate amount of United States contributions to such fund for the calendar year 1969.

(e) There is authorized to be appropriated [\$1,000,000 for the fiscal year 1970 and \$1,000,000 for the fiscal year 1971] \$1,000,000 for each of the fiscal years 1972 and 1973, to provide added contribution to the United Nations Relief and Works Agency for expansion of technical and vocational training of Arab refugees.

(f) There are authorized to be appropriated to the President for each of the fiscal years 1972 and 1973, in addition to other amounts available for such purposes, \$1,000,000 in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purpose of providing technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended.

* * * * *

【Chapter 4—SUPPORTING ASSISTANCE

【SEC. 401. General Authority.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this part on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

【SEC. 402. Authorization.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1970 not to exceed \$414,600,000, and for the fiscal year 1971 not to exceed \$414,600,000: Provided, That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given his prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange between said Government and the United States is fair to both countries.

【SEC. 403. United States Refund Claims.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claims against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than \$10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.】

Chapter 5—CONTINGENCY FUND

SEC. 451. Contingency Fund.—(a) There is hereby authorized to be appropriated to the President [for the fiscal year 1970 not to exceed \$15,000,000, and for the fiscal year 1971 not to exceed \$30,000,000] for each of the fiscal years 1972 and 1973 not to exceed \$30,000,000, for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest: *Provided*, That, in addition to any other sums available for such purpose, \$15,000,000 of the amount authorized for the fiscal year 1971 may be used only for the purpose of relief, rehabilitation, and reconstruction assistance for the benefit of cyclone, tidal wave, and flood victims in East Pakistan.

* * * * *

Chapter 8—REFUGEE RELIEF ASSISTANCE

SEC. 481. *REFUGEE RELIEF ASSISTANCE*.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purpose, not to exceed \$250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies.

PART II

* * * * *

Chapter 2—MILITARY ASSISTANCE

* * * * *

SEC. 504. Authorization.—(a) There is authorized to be appropriated to the President to carry out the purposes of this part not to exceed [\$350,000,000 for the fiscal year 1970, and \$350,000,000 for the fiscal year 1971] \$565,000,000 for the fiscal year 1972: *Provided*, That funds made available for assistance under this chapter (other than training in the United States) shall not be used to furnish assistance in more than forty countries in any fiscal year: *Provided further*, That none of the funds appropriated pursuant to this subsection shall be used to furnish sophisticated weapons systems, such as missile system and jet aircraft for military purpose, to any underdeveloped country, unless the President determines that the furnishing of such weapons systems is important to the national security of the United States and reports within thirty days each such determination to the Congress. Amounts appropriated under this subsection are authorized to remain available until expended. Amounts appropriated under this subsection shall be available for cost-sharing expenses of United States participation in the military headquarters and related agencies program.

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SEC. 505. Conditions of Eligibility.—

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(b) No defense articles shall be furnished on a grant basis to any country at a cost in excess of \$3,000,000 in any fiscal year unless the President determines—

- (1) that such country conforms to the purposes and principles of the Charter of the United Nations;
- (2) that such defense articles will be utilized by such country for the maintenance of its own defensive strength, [and] or the defensive strength of the free world;
- (3) that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and
- (4) that the increased ability of such country to defend itself is important to the security of the United States.

* * * * *

[(e) From and after the sixtieth day after the day of enactment of the Foreign Assistance Act of 1966, no assistance shall be provided under this chapter to any country to which sales are made under title I of the Agricultural Trade Development and Assistance Act of 1954 until such country has entered into an agreement to permit the use of foreign currencies accruing to the United States under such title I to procure equipment, materials, facilities, and services for the common defense including internal security, in accordance with the provisions of section 104(c) of such title I.]

SEC. 506. Special Authority.—(a) During the fiscal year [1970 and the fiscal year 1971] 1972 the President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in [each of the fiscal years 1970 and 1971] the fiscal year 1972 shall not exceed \$300,000,000. [Prompt notice of action taken under this subsection shall be given to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.]

* * * * *

SEC. 507. Restrictions on Military Aid to Latin America.—(a) [The value of grant programs of defense articles for American Republicans, pursuant to any authority contained in this part other than chapter 3, in any fiscal year beginning with the fiscal year 1962, shall not exceed \$25,000,000, of which any part may be used for assistance on a cost-sharing basis to an inter-American military force under the control of the Organization of American States.] Except as otherwise provided in this section, the value of defense articles furnished by the United States Government under this Act to Latin American countries shall not exceed \$10,000,000. Not to exceed \$25,000,000 in value of

defense articles may be furnished under this part on a cost-sharing basis to an inter-American military force under the control of the Organization of American States.

* * * * *

SEC. 511. MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS.—(a) It is the sense of Congress that the need for large United States military assistance advisory groups and military aid missions in foreign countries has diminished substantially during the last few years. In the words of the Peterson Task Force Report on International Development, "The United States now can reduce its supervision and advice to a minimum, thus encouraging progress toward self-reliance. United States military missions and advisory groups should be consolidated with other elements in our overseas missions as soon as possible."

(b) In accordance with the provisions of subsection (a) of this section, the total number of United States military personnel assigned and detailed, as of September 30, 1971, to United States military assistance advisory groups, military missions, and other organizations of the United States performing activities similar to such groups and missions, shall be reduced by at least 25 per centum by September 30, 1972.

SEC. 512. MILITARY ASSISTANCE AUTHORIZATIONS FOR THAILAND, LAOS, AND SOUTH VIETNAM.—After June 30, 1972, no military assistance shall be furnished by the United States to Thailand, Laos, or South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act.

SEC. 513. LIMITATIONS ON AVAILABILITY OF FUNDS FOR MILITARY OPERATIONS.—(a) No funds authorized or appropriated under any provision of law shall be made available by any means by any officer, employee, or agency of the United States Government for the purpose of financing any military operations by foreign forces in Laos, South Vietnam, North Vietnam, Thailand, Cambodia, or Burma outside the borders of the country of the government or person receiving such funds unless Congress has specifically authorized or authorizes the making of funds available for such purpose and designates the area where military operations financed by such funds may be undertaken outside such borders.

(b) Upon requesting Congress to make any such authorization, the President shall provide to Congress a copy of any agreement proposed to be entered into with any such government or person and the complete details of the proposed military operation. Upon such authorization by Congress, the President shall provide a copy of any such agreement and thereafter of all plans and details of such operation.

SEC. 514. SPECIAL FOREIGN COUNTRY ACCOUNTS.—(a) Except as otherwise provided by subsection (b) or (c) of this section, no defense article may be given, and no grant of military assistance may be made, under this or any other law to a foreign country unless the country agrees—

(1) to deposit in a special account established by the United States Government the following amounts of currency of that country:

(A) in the case of any excess defense article to be given to that country, an amount equal to 25 per centum of the fair value of the article, as determined by the Secretary of State, at the time the agreement to give the article to the country is made; and

(B) in the case of a grant of military assistance to be made to that country, an amount equal to 25 per centum of each such grant; and

(2) to allow the United States Government to use such amounts from that special account as may be determined, from time to time, by the President to be necessary to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.

(b) The President may waive any amount of currency of a foreign country required to be deposited under subsection (a)(1) of this section if he determines that the United States Government will be able to pay all of its official costs payable in the currency of that country enumerated under subsection (a)(2) of this section without the deposit of such amount and without having to expend United States dollars to purchase currency of that country to pay such costs.

(c) The provisions of this section shall not apply in any case in which an excess defense article is given, or a grant of military assistance is made, to a foreign country under an agreement with that country which allows the United States Government to operate a military or other similar base in that country in exchange for that article or grant.

(d) Section 1415 of the Supplemental Appropriation Act, 1953 (31 U.S.C. 724), shall not be applicable to the provisions of this section.

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Chapter 4—SECURITY SUPPORTING ASSISTANCE

SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

SEC. 532. AUTHORIZATION.—There are authorized to be appropriated to the President not to exceed \$614,400,000 to carry out the purposes of this chapter for the fiscal year 1972 and not to exceed \$85,000,000 for such purposes for that fiscal year for Israel only. Where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange, and the rate of exchange for United States Government purchases of piasters for goods and services, between said Government and the United States is fair to both countries.

SEC. 533. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely

for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of United States dollar refund claims against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than \$10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.

PART III

Chapter I—GENERAL PROVISIONS

* * * * *

SEC. 619. Assistance to Newly Independent Countries.—Assistance under part I of this Act (*other than title I of chapter 2 of such part*) to newly independent countries shall, to the maximum extent appropriate in the circumstance of each case, be furnished through multilateral organizations or in accordance with multilateral plans, on a fair and equitable basis with due regard to self-help.

SEC. 620. Prohibitions Against Furnishing Assistance.—

* * * * *

(v)(1) *The President shall determine annually, before furnishing any military, economic, and other assistance to a foreign country under this or any other law, whether such country has undertaken appropriate measures to prevent drugs, partially or completely processed or produced in or transported through such country, from unlawfully entering the United States or from being unlawfully supplied to citizens of the United States.*

(2) *Except as otherwise provided under paragraph (3) of this subsection, if the President determines that a foreign country has not undertaken appropriate measures to prevent any such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens, he shall immediately cease to furnish all military, economic, and other assistance to such country authorized under this or any other law. The President is urged also to seek, through the United Nations or any other international organization, the imposition of international economic sanctions against such country.*

(3) *If the President finds that a foreign country referred to under paragraph (2) of this subsection has undertaken, after his determination, appropriate measures to prevent such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens or finds that the overriding national interest requires that military, economic, or other assistance be furnished to such country, the provisions of such paragraph shall not apply to that country unless the provisions of such paragraph would apply further to that country as a result of a further determination.*

(4) *The President shall utilize such agencies and facilities of the United States Government as he may deem appropriate to assist foreign countries in their efforts to prevent the unlawful entry of drugs into the United States or from being unlawfully supplied to United States citizens.*

(5) *No provisions of this or any other law shall be construed to authorize the President to waive the provisions of this subsection.*

(6) *For purposes of this subsection—*

(A) “drug” means any matter which is included within the definition of controlled substance under title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; and

(B) “foreign assistance” means any tangible or intangible item provided by the United States Government (by means of gift, loan, sale, credit sale, guaranty, or any other means) under this or any other law to a foreign country, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country.

(w) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

(x)(1) All military, economic, or other assistance, all sales of defense articles and services (whether for cash or by credit, guaranty, or any other means), all sales of agricultural commodities (whether for cash, credit, or by other means), and all licenses with respect to the transportation of arms, ammunitions, and implements of war (including technical data relating thereto) to the Government of Pakistan under this or any other law shall be suspended on the date of enactment of this subsection.

(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

(3) Nothing in this subsection shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, or monitored under international auspices.

Chapter 2—ADMINISTRATIVE PROVISIONS

* * * * *

SEC. 634. Reports and Information.—(a) The President shall, while funds made available for the purposes of the Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations (other than those reported pursuant to section 240A) in that fiscal year under this Act. Each such report shall include information on progress under the freedom of navigation and nondiscrimination declaration contained in section 102.]

* * * * *

(d) * * * In addition, the President shall promptly notify the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives of any determination under section 303, 610, [614(a),] or 614(b) and of any finding, including his reasons therefor, under section 503 or 521(e).

* * * * *

SEC. 637. Administrative Expenses.—(a) There is hereby authorized to be appropriated to the President [for the fiscal year 1970, \$51,125,000, and for the fiscal year 1971, \$51,125,000] for each of the fiscal years 1972 and 1973, \$51,800,000, for necessary administrative expenses of the agency primarily responsible for administering part I. The agency administering part I shall reduce the number of personnel, particularly administrative personnel, employed by it in order to conduct operations with the reduced amount of funds authorized for fiscal year 1969, except that such agency shall not take any action to limit or reduce auditing or training activities of such agency.

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Chapter 3—MISCELLANEOUS PROVISIONS

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SEC. 644. Definitions.—As used in this Act—

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“(m) “Value” means, other than in section 657 of this Act—

* * * * *

[SEC. 652. Limitation Upon Additional Assistance to Cambodia.—The President shall not exercise any special authority granted to him under sections 506(a), 610(a) and 614(a) of this Act for the purpose of providing additional assistance to Cambodia, unless the President, at least thirty days prior to the date he intends to exercise any such authority on behalf of Cambodia (or ten days prior to such date if the President certifies in writing that an emergency exists requiring immediate assistance to Cambodia), notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.]

SEC. 652. LIMITATION UPON EXERCISE OF SPECIAL AUTHORITIES.—*The President shall not exercise any special authority granted to him under section 506(a), 610(a), or 614(a) of this Act unless the President, at least ten days prior to the date he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.*

SEC. 653. CHANGE IN ALLOCATION OF FOREIGN ASSISTANCE.—(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 or 637), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each. Notwithstanding any other provision of law, the United States Government shall not provide to any foreign country or international organization any funds under that law which is in excess of 10 per centum of the amount of each category of assistance which the President notified the Congress that the United States Government intended to provide that country or organization under that law, unless the President (1) determines that it is vital to the security of the United States that such country or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress, at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of that per centum which are to be provided, and the justification for providing the additional assistance.

(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

SEC. 654. PRESIDENTIAL FINDINGS AND DETERMINATIONS.—(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the Congress or to the appropriate committee or officer of either House of Congress.

SEC. 655. LIMITATIONS UPON ASSISTANCE TO OR FOR CAMBODIA.—(a) Notwithstanding any other provision of law, no funds authorized to be ap-

propriated by this or any other Act may be obligated or expended in any amount in excess of \$250,000,000 for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia during the fiscal year ending June 30, 1972.

(b) In computing the \$250,000,000 limitation on obligation and expenditure authority under subsection (a) of this section in fiscal year 1972, there shall be included in the computation the value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease, or otherwise. For the purpose of this subsection, "value" means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33½ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

(c) No funds may be obligated or expended for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1972, unless such funds have been specifically authorized by law enacted after the date of enactment of this Act. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated or expended for any such purpose during such fiscal year.

(d) The provisions of subsections (a) and (c) of this section shall not apply with respect to the obligation or expenditure of funds to carry out combat air operations over Cambodia.

(e) After the date of enactment of this Act, whenever any request is made to the Congress for the appropriation of funds for use in, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1971, a written report showing the total amount of funds expended in, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount expended, describing the different purposes for which such funds were expended and the total amount expended for such purpose, except that in the case of the first two quarters of the fiscal year beginning July 1, 1971, a single report may be submitted for both such quarters and such report may be computed on the basis of the most accurate estimates the President is able to make, taking into consideration all information available to him.

(g) Enactment of this section shall not be construed as a commitment by the United States to Cambodia for its defense..

SEC. 656. LIMITATIONS ON UNITED STATES PERSONNEL AND PERSONNEL ASSISTED BY UNITED STATES IN CAMBODIA.—The total number of civilian officers and employees of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. The United States shall not, at any time, pay in whole or in part,

directly or indirectly, the compensation or allowances of more than fifty individuals in Cambodia who are citizens of countries other than Cambodia or the United States. For purposes of this section, "executive agency of the United States Government" means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

SEC. 657. ANNUAL FOREIGN ASSISTANCE REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations, and in order that the Congress and the American people may be better informed regarding the sale of arms to foreign countries and international organizations by private industry of the United States, not later than December 31 of each year the President shall transmit to the Congress an annual report, for the fiscal year ending prior to the fiscal year in which the report is transmitted, showing—

(1) the aggregate dollar value of all foreign assistance provided by the United States Government by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance by category provided by the United States Government to each such country and organization, during that fiscal year;

(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion of such payment was returned by the United States Government to the country or organization from which the payment was obtained or whether any such portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

(3) the aggregate dollar value of all arms, ammunitions, and other implements of war, and the aggregate dollar value of each category of such arms, ammunitions, and implements of war, exported under any export license, to all foreign countries and international organizations, and to each such country and organization, during that fiscal year; and

(4) such other matters relating to foreign assistance provided by the United States Government as the President considers appropriate, including explanations of the information required under clauses (1)–(3) of this subsection.

(b) All information contained in any report transmitted under this section shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplement to any report shall be transmitted to the Congress at the same time that the report is transmitted.

(c) If the Congress is not in session at the time a report or supplement is transmitted to the Congress, the Secretary of the Senate and the Clerk of the House of Representatives shall accept the report or supplement on behalf of their respective Houses of Congress and present the report or supplement to the two Houses immediately upon their convening.

(d) *For purposes of this section—*

(1) “foreign assistance” means any tangible or intangible item provided by the United States Government under this or any other law to a foreign country or international organization, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country;

(2) “provided by the United States Government” includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit sale, or guaranty; and

(3) “value” means value at the time of transfer except that in no case shall any commodity or article of equipment or material be considered to have a value less than one-third of the amount the United States Government paid at the time the commodity or article was acquired by the United States Government.

SEC. 658. *LIMITATION ON USE OF FUNDS.*—(a) Except as otherwise provided in this section, none of the funds appropriated to carry out the provisions of this Act or the Foreign Military Sales Act shall be obligated or expended until the Comptroller General of the United States certifies to the Congress that all funds previously appropriated and thereafter impounded during the fiscal year 1971 for highway construction, low-rent public housing, Model Cities, water and sewer grants, urban renewal, regional economic development, farm credit, and mass transportation have been released for obligation and expenditure.

(b) *The provisions of this section shall not apply—*

(1) *to funds being withheld in accordance with specific requirements of law; and*

(2) *to appropriations obligated or expended prior to January 1, 1972.*

II. FOREIGN MILITARY SALES ACT

* * * * *

Chapter 3—MILITARY EXPORT CONTROLS

SEC. 31. Authorization and Aggregate Ceiling on Foreign Military Sales Credits.—(a) There is hereby authorized to be appropriated to the President to carry out this Act not to exceed [\$250,000,000 for each of the fiscal years 1970 and 1971] \$459,000,000 for the fiscal year 1972. Unobligated balances of funds made available pursuant to this section are hereby authorized to be continued available by appropriations legislation to carry out this Act.

(b) The aggregate total of credits, or participations in credits, extended pursuant to this Act (excluding credits covered by guaranties issued pursuant to section 24(b)) and of the face amount of guaranties issued pursuant to sections 24 (a) and (b) shall not exceed [\$340,000,000 for each of the fiscal years 1970 and 1971] \$523,800,000 for the fiscal year 1972.

* * * * *

SEC. 33. Regional Ceilings on Foreign Military Sales.—(a) The aggregate of the total amount of military assistance pursuant to the

Foreign Assistance Act of 1961, as amended, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b), and of loans and sales in accordance with section 7307 of title 10, United States Code, shall, excluding training, not exceed **[\$75,000,000]** \$100,000,000 in each fiscal year for Latin American countries.

(b) The aggregate of the total amount of military assistance pursuant to the Foreign Assistance Act of 1961, as amended, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 23 (excluding credits covered by guarantees issued pursuant to section 24(b)), and of the face amount of contracts or guaranty issued pursuant to sections 224 (a) and (b) shall, excluding training, not exceed \$40,000,000 in each fiscal year for African countries.

[(c) The President may waive the limitations of this section when he determines it to be important to the security of the United States, and promptly so reports to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.]

* * * * *

III. SECTION 8 OF AN ACT TO AMEND THE FOREIGN MILITARY SALES ACT, AND FOR OTHER PURPOSES (22 U.S.C. 2321b)

SEC. 8. (a) Subject to the provisions of subsection (b), the value of any excess defense article granted to a foreign country or international organization **[under part II of the Foreign Assistance Act of 1961]** shall be considered to be an expenditure made from funds appropriated under that Act for military assistance. **When** **[by any department, agency, or independent establishment of the United States Government (other than the Agency for International Development)]** shall be considered to be an expenditure made from funds appropriated under the Foreign Assistance Act of 1961 for military assistance. Unless such department, agency, or establishment certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is cancelled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) to the military assistance appropriation for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the military assistance appropriation for the current fiscal year upon delivery of such article if at the time of delivery the stock status of the article is determined, in accordance with sections 644(g) and (m) of the Foreign Assistance Act of 1961, to be nonexcess.

(b) The provisions of subsection (a) shall apply during any fiscal year only to the extent that the aggregate value of excess defense articles ordered during that year exceeds **[\$100,000,000]** \$150,000,000.

(c) For purposes of this section, "value" means not less than 33½ per centum of the amount the United States paid at the time the excess defense articles were acquired by the United States.

(d) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapons system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery.

(e) *Except for excess defense articles granted under part II of the Foreign Assistance Act of 1961, the provisions of this section shall not apply to any excess defense article granted to South Vietnam prior to July 1, 1972.*

IV. AN ACT TO AUTHORIZE PARTICIPATION BY THE UNITED STATES IN THE INTERPARLIAMENTARY UNION (22 U.S.C. 276)

That an appropriation of ~~[\$53,550]~~ \$102,000 annually is authorized, ~~[\$26,650]~~ \$57,000 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and ~~[\$26,900]~~ \$45,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the president and the executive secretary of the American group.

* * * * *

V. PART IV, FOREIGN ASSISTANCE ACT OF 1969 (22 U.S.C. 290f)

PART IV—**[INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE]**

THE INTER-AMERICAN FOUNDATION ACT

SEC. 401. **[INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE.]**—(a) There is created as an agency of the United States of America a body corporate to be known as the "Inter-American Social Development Institute" (hereafter in this section referred to as the "Institute").**[INTER-AMERICAN FOUNDATION.]**—(a) *There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereafter in this section referred to as the "Foundation").*

(b) The future of freedom, security, and economic development in the Western Hemisphere rests on the realization that man is the foundation of all human progress. It is the purpose of this section to provide support for developmental activities designed to achieve conditions in the Western Hemisphere under which the dignity and the

worth of each human person will be respected and under which all men will be afforded the opportunity to develop their potential, to seek through gainful and productive work the fulfillment of their aspirations for a better life, and to live in justice and peace. To this end, it shall be the purpose of the **Institute Foundation** primarily in co-operation with private, regional, and international organizations, to—

- (1) strengthen the bonds of friendship and understanding among the peoples of this hemisphere;
- (2) support self-help efforts designed to enlarge the opportunities for individual development;
- (3) stimulate and assist effective and ever wider participation of the people in the development process;
- (4) encourage the establishment and growth of democratic institutions, private and governmental, appropriate to the requirements of the individual sovereign nations of this hemisphere.

In pursuing these purposes, the **Institute Foundation** shall place primary emphasis on the enlargement of educational opportunities at all levels, the production of food and the development of agriculture, and the improvement of environmental conditions relating to health, maternal and child care, family planning, housing, free trade union development, and other social and economic needs of the people.

(c) The **Institute Foundation** shall carry out the purposes set forth in subsection (b) of this section primarily through and with private organizations, individuals, and international organizations by undertaking or sponsoring appropriate research and by planning, initiating, assisting, financing, administering, and executing programs and projects designed to promote the achievement of such purposes.

(d) In carrying out its functions under this section, the **Institute Foundation** shall, to the maximum extent possible, coordinate its undertakings with the developmental activities in the Western Hemisphere of the various organs of the Organization of American States, the United States Government, international organizations, and other entities engaged in promoting social and economic development of Latin America.

(e) The **Institute Foundation** as a corporation—

- (1) shall have perpetual succession unless sooner dissolved by an Act of Congress;
- (2) may adopt, alter, and use a corporate seal, which shall be judicially noticed;
- (3) may make and perform contracts and other agreements with any individual, corporation, or other body of persons however designated whether within or without the United States of America, and with any government or governmental agency, domestic or foreign;
- (4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, *including expenses for representation (not to exceed \$10,000 in any fiscal year)*, allowed and paid;
- (5) may, as necessary for the transaction of the business of the **Institute Foundation**, employ and fix the compensation of not to exceed one hundred persons at any one time;
- (6) may acquire by purchase, devise, bequest, or gift, or otherwise lease, hold, and improve, such real and personal property as

it finds to be necessary to its purposes, whether within or without the United States, and in any manner dispose of all such real and personal property held by it and use as general funds all receipts arising from the disposition of such property;

(7) shall be entitled to the use of the United States mails on the same conditions as the executive departments of the Government;

(8) may, with the consent of any board, corporation, commission, independent establishment, or executive department of the Government, including any field service thereof, avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section;

(9) may accept money, funds, property, and services of every kind by gift, device, bequest, grant, or otherwise, and make advances, grants, and loans to any individual, corporation, or other body of persons, whether within or without the United States of America, or to any government or governmental agency, domestic or foreign, when deemed advisable by the [Institute] Foundation in furtherance of its purposes;

(10) may sue and be sued, complain, and defend, in its corporate name in any court of competent jurisdiction; and

(11) shall have such other powers as may be necessary and incident to carrying out its powers and duties under this section.

(f) Upon termination of the corporate life of the [Institute] Foundation all of its assets shall be liquidated and, unless otherwise provided by Congress, shall be transferred to the United States Treasury as the property of the United States.

(g) The management of the [Institute] Foundation shall be vested in a board of directors (hereafter in this section referred to as the "Board") composed of seven members appointed by the President, by and with the advice and consent of the Senate, one of whom he shall designate to serve as Chairman of the Board and one of whom he shall designate to serve as Vice Chairman of the Board. Four members of the Board shall be appointed from private life. Three members of the Board shall be appointed from among officers or employees of agencies of the United States concerned with inter-American affairs. Members of the Board shall be appointed for terms of six years, except that of the members first appointed two shall be appointed for terms of two years and two shall be appointed for terms of four years, as designated by the President at the time of their appointment. A member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term; but upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified. Members of the Board shall be eligible for reappointment.

(h) Members of the Board shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses not in excess of \$50 per day, and for transportation expenses, while engaged in their duties on behalf of the corporation.

(i) The Board shall direct the exercise of all the powers of the [Institute] Foundation.

(j) The Board may prescribe, amend, and repeal bylaws, rules, and regulations governing the manner in which the business of the

【Institute】 *Foundation* may be conducted and in which the powers granted to it by law may be exercised and enjoyed. A majority of the Board shall be required as a quorum.

(k) In furtherance and not in limitation of the powers conferred upon it, the Board may appoint such committees for the carrying out of the work of the 【Institute】 *Foundation* as the Board finds to be for the best interests of the 【Institute】 *Foundation*, each committee to consist of two or more members of the Board, which committees, together with officers and agents duly authorized by the Board and to the extent provided by the Board, shall have and may exercise the powers of the Board in the management of the business and affairs of the 【Institute】 *Foundation*.

(l) (1) The chief executive officer of the Institute shall be an Executive Director who shall be appointed by the Board of Directors on such terms as the Board may determine. The Executive Director shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.】

(l) (1) *The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.*

(2) Experts and consultants, or organizations thereof, may be employed as authorized by section 3109 of title 5, United States Code.

(m) In order to further the purposes of the 【Institute】 *Foundation* there shall be established a Council to be composed of such number of individuals as may be selected by the Board from among individuals knowledgeable concerning developmental activities in the Western Hemisphere. The Board shall, from time to time, consult with the Council concerning the objectives of the 【Institute】 *Foundation*. Members of the Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5703 of title 5, United States Code, for travel and other expenses incurred by them in the performance of their functions under this subsection.

(n) The 【Institute】 *Foundation* shall be a nonprofit corporation and shall have no capital stock. No part of its revenue, earnings, or other income or property shall inure to the benefit of its directors, officers, and employees and such revenue, earnings, or other income, or property shall be used for the carrying out of the corporate purposes set forth in this section. No director, officer, or employee of the corporation shall in any manner directly or indirectly participate in the deliberation upon or the determination of any question affecting his personal interests or the interests of any corporation, partnership, or organization in which he is directly or indirectly interested.

(o) When approved by the 【Institute】 *Foundation*, in furtherance of its purpose, the officers and employees of the 【Institute】 *Foundation* may accept and hold offices or positions to which no compensation is attached with governments or governmental agencies of foreign countries.

(p) The Secretary of State shall have authority to detail employees of any agency under his jurisdiction to the 【Institute】 *Foundation* under such circumstances and upon such conditions as he may deter-

mine. Any such employee so detailed shall not lose any privileges, rights, or seniority as an employee of any such agency by virtue of such detail.

(q) The [Institute] Foundation shall establish a principal office. The [Institute] Foundation is authorized to establish agencies, branch offices, or other offices in any place or places within the United States or elsewhere in any of which locations the [Institute] Foundation may carry on all or any of its operations and business.

(r) The [Institute] Foundation, including its franchise and income, shall be exempt from taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State, county, municipality, or local taxing authority.

(s) Notwithstanding any other provision of law, not to exceed an aggregate amount of \$50,000,000 of the funds made available for the fiscal years 1970 and 1971 to carry out part I of the Foreign Assistance Act of 1961 shall be available to carry out the purposes of this section. Funds made available to carry out the purposes of this section under the preceding sentence are authorized to remain available until expended.

(t) The [Institute] Foundation shall be subject to the provisions of the Government Corporation Control Act.

VI. AN ACT TO PROVIDE CERTAIN BASIC AUTHORITY FOR THE DEPARTMENT OF STATE (22 U.S.C. 2680)

* * * * *

SEC. 13. * * * [There is hereby authorized to be appropriated such amounts as may be necessary to provide capital for the fund.]

[SEC. 15. Appropriations to carry out the purposes of this Act are hereby authorized. When so provided in an appropriation law, an appropriation made to the Department of State may remain available until expended.]

Sec. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.

(b) The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities of all departments, agencies, and independent establishments of the United States Government conducted outside the United States or its territories or possessions. Any such department, agency, or independent establishment shall furnish any information requested by either such committee relating to any such activity or responsibility.

VII. SECTION 701, UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948 (22 U.S.C. 1476)

GENERAL AUTHORIZATION

[SEC. 701. Appropriations to carry out the purposes of this Act are hereby authorized.]

PRIOR AUTHORIZATIONS BY CONGRESS

Sec. 701. Notwithstanding any other provision of law, no appropriation shall be made to the Secretary of State, or to any Government agency authorized to administer the provisions of this Act, under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress.

**VIII. SECTION 7(a), SPECIAL FOREIGN ASSISTANCE ACT
OF 1971 (22 U.S.C. 2411 note)**

Sec. 7. (a) In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for [Cambodian military forces] military, paramilitary, police, or other security or intelligence forces in Cambodia.

**IX. SECTION 401(a) OF PUBLIC LAW 89-367,
APPROVED MARCH 15, 1966**

Sec. 4. (a) (1) Not to exceed \$2,800,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos and Thailand; and for related costs, during the fiscal year 1971 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States or of any department, agency, or independent establishment of the United States may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.

(2) No defense article may be furnished to the South Vietnamese forces, other free world forces in Vietnam, or to local forces in Laos or Thailand with funds authorized for the use of the Armed Forces of the United States or of any department, agency, or independent establishment of the United States under this or any other Act unless the government of the forces to which the defense article is to be furnished shall have agreed that—

- (A) it will not, without the consent of the President—
(i) permit any use of such article by anyone not an officer, employee, or agent of that government,*

- (ii) transfer, or permit any officer, employee, or agent of that government to transfer such article by gift, sale, or otherwise, or
- (iii) use or permit the use of such article for purposes other than those for which furnished;
- (B) it will maintain the security of such article, and will provide substantially the same degree of security protection afforded to such article by the United States Government;
- (C) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such article; and
- (D) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, any such article which is no longer needed for the purposes for which it was furnished.

The President shall promptly submit a report to the Speaker of the House of Representatives and the President of the Senate on the implementation of each agreement entered into in compliance with this paragraph. The President may not give his consent under clause (A) or (D) of this paragraph with respect to any defense article until the expiration of fifteen days after written notice has been given to the Speaker of the House of Representatives and the President of the Senate regarding the proposed action of the President with respect to such article. As used in this paragraph the term "defense article" shall have the same meaning prescribed for such term in section 644(d) of the Foreign Assistance Act of 1961. In order to allow a reasonable period of time for the Department of Defense to comply with the requirements of this paragraph, the provisions of such paragraph shall become effective sixty days after the date of enactment of this paragraph.

X. JOINT RESOLUTION AUTHORIZING THE PRESIDENT TO EMPLOY THE ARMED FORCES OF THE UNITED STATES FOR PROTECTING THE SECURITY OF FORMOSA, THE PESCADORES, AND RELATED POSITIONS AND TERRITORIES OF THAT AREA, APPROVED JANUARY 29, 1955 (69 STAT. 7; PUBLIC LAW 84-4)

That the President of the United States be and he hereby is authorized to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defense of Formosa and the Pescadores.

[This resolution shall expire when the President shall determine that the peace and security of the area is reasonably assured by international conditions created by action of the United Nations or otherwise, and shall so report to the Congress.]

XI. SECTION 502(b), MUTUAL SECURITY ACT OF 1954

(b) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, local currencies owned by the United States, which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, [as amended], and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, and any other local currencies owned by the United States in amounts not to exceed the equivalent of \$50 per day per person exclusive of the actual cost of transportation] and which are determined by the Secretary of the Treasury to be excess to the normal requirements of the United States, shall be made available to appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act of 1946, (as amended), and to the Joint Committee on Atomic Energy and the Joint Economic Committee and the Select Committees on Small Business of the Senate and House of Representatives for their local currency expenses [:Provided, That each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate Committee or a joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration of the House or the Committee on Appropriations of the Senate]. Any such excess local currencies shall not be made available (1) to defray subsistence expenses or fees of witnesses appearing before any such committee in the United States, or (2) in amounts greater than the equivalent of \$100 a day for each person, exclusive of the actual cost of transportation.

XII. NEW PROVISIONS OF LAW RELATING TO INDOCHINA

WITHDRAWAL OF UNITED STATES FORCES FROM INDOCHINA

SEC. 406. (a) The Congress hereby finds that the repeal of the joint resolution entitled "Joint Resolution to promote the maintenance of international peace and security in Southeast Asia", approved August 10, 1964 (Public Law 88-408), known as the Gulf of Tonkin Resolution, has left the Government of the United States without congressional authority for continued participation in the war in Indochina. Therefore, in order to bring an end to the involvement of the armed forces of the United States in the hostilities in Indochina, to secure the safe return of United States' prisoners of war held by North Vietnam and its allies, and to help bring about a political settlement of the war in Indochina, it is the sense of the Congress that it should be the policy of the United States to provide for the expeditious withdrawal from Indochina of all United States armed forces.

(b) On and after the date of enactment of this Act, in order to carry out the policy of withdrawal of all United States armed forces from Indochina, funds authorized for use by such forces by this or any other Act may be used only for the purpose of withdrawal of all such forces from Indochina and may not be used for the purpose of engaging such forces in hostilities in North or South Vietnam, Cambodia, or Laos, except for actions necessary to protect those forces against imminent danger as they are withdrawn.

TERMINATION OF UNITED STATES MILITARY OPERATIONS IN INDOCHINA

SEC. 407. It is hereby declared to be the policy of the United States to terminate at the earliest practicable date all military operations of the United States in Indochina, and to provide for the prompt and orderly withdrawal of all United States military forces not later than six months after the date of enactment of this section subject to the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government. The Congress hereby urges and requests the President to implement the above expressed policy by initiating immediately the following actions:

(1) Establishing a final date for the withdrawal from Indochina of all military forces of the United States contingent upon the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government, such date to be not later than six months after the date of enactment of this Act.

(2) Negotiate with the Government of North Vietnam for an immediate cease-fire by all parties to the hostilities in Indochina.

(3) Negotiate with the Government of North Vietnam for an agreement which would provide for a series of phased and rapid withdrawals of United States military forces from Indochina in exchange for a corresponding series of phased releases of American prisoners of war, and for the release of any remaining American prisoners of war concurrently with the withdrawal of all remaining military forces of the United States by not later than the date established by the President pursuant to paragraph (1) hereof or by such earlier date as may be agreed upon by the negotiating parties.